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To: Friends of Democracy Corps
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The Economy at a Sensitive Juncture

Time for Benefits for the Middle Class, Not Premature Credit for a Turnaround

With GDP growth having finally returned, but unemployment still rising slowly toward 10 percent, the economy is at a sensitive juncture as an issue for the 2010 elections. Almost half of voters in the 60 most competitive Democratic and Republican congressional districts now rate their personal finances positively and half believe the economic recovery plan passed by Congress and signed by the president will have a positive impact. Yet, only 16 percent have a positive view of the current economy and only a third think the economy is “starting” to improve. Independents are particularly pessimistic on economic issues, with important consequences for the midterm elections.

That half in these swing (but Republican-leaning) districts believe that President Obama’s economic recovery plan could help suggests the economy could break in favor of Democrats, but the country is not ready to listen to a narrative about how Democrats have brought the economy “back from the brink” and averted an even worse disaster, as articulated by the president in his joint session address to Congress earlier this year. That leaves a lot of receptivity to Republican messages that focus on wasted spending and exploding deficits. On the other hand, focusing on the specific benefits in the stimulus package that have helped working Americans through the crisis and on rebalancing the economy so it works for the middle class (not just the wealthy) has a much bigger impact and effectively challenges the Republican narrative.

These results are based on a new survey by Democracy Corps and Greenberg Quinlan Rosner Research across the 60 most marginal congressional districts (40 Democratic-controlled and 20 Republican-held).¹

¹ This memo is based on a survey of 1,500 likely voters (1,000 in the 40 most competitive Democratic-held congressional districts and 500 in the 20 most competitive Republican-held congressional districts) conducted October 6-11, 2009. A list of all of the districts can be found in the appendix.



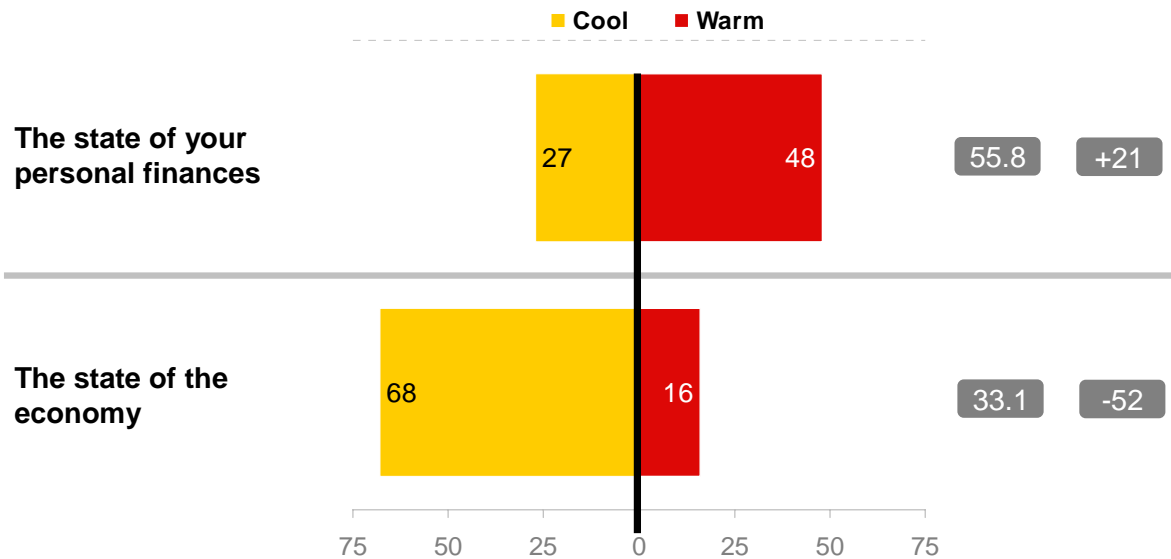
The Dangers of Taking Premature Credit for Economic Turnaround

With the specter of a second Great Depression behind us, our economy growing again, the Dow having briefly cracked 10,000 and some TARP recipients repaying their loans, some Democrats have begun tentatively taking credit for the beginning of an economic turnaround. While voters think that could eventually be true, they are far from entertaining the idea that the economy is fundamentally improving, at least in any way that they can feel. They may well punish politicians who get ahead of themselves, look out of touch and, more important, fail to talk about the on-going help from the recovery package that counters the Republican interpretation about spending.

Voters more optimistic about personal finances than economy

Now, I'd like to rate your feelings toward some people and organizations, with one hundred meaning a VERY WARM, FAVORABLE feeling; zero meaning a VERY COLD, UNFAVORABLE feeling; and fifty meaning not particularly warm or cold...

Therm. Mean Warm - Cool

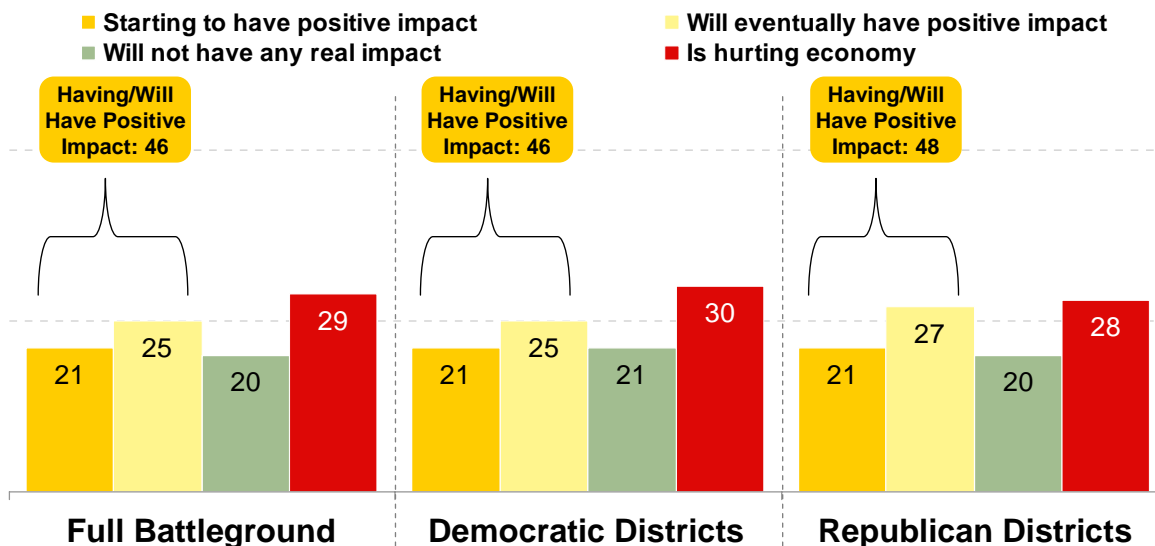


Almost half of voters across this battleground have a positive feeling about their own personal finances (48 percent, against just 27 percent who have a negative feeling). And nearly half (46 percent) say that Obama’s economic recovery plan has or will have a positive impact on the economy. This is not a bad result in this Republican-leaning battleground, considering that unemployment is approaching 10 percent.



Nearly half of voters say stimulus has or will have positive impact

Now let me ask you about the economic recovery plan, also known as the stimulus package, that was passed by Congress and became law. In your opinion, do you feel that the economic recovery plan is starting to have a positive impact on the economy, will eventually have a positive impact on the economy but has not yet, will not have any real impact on the economy or do you feel that the economic recovery plan is hurting the economy?



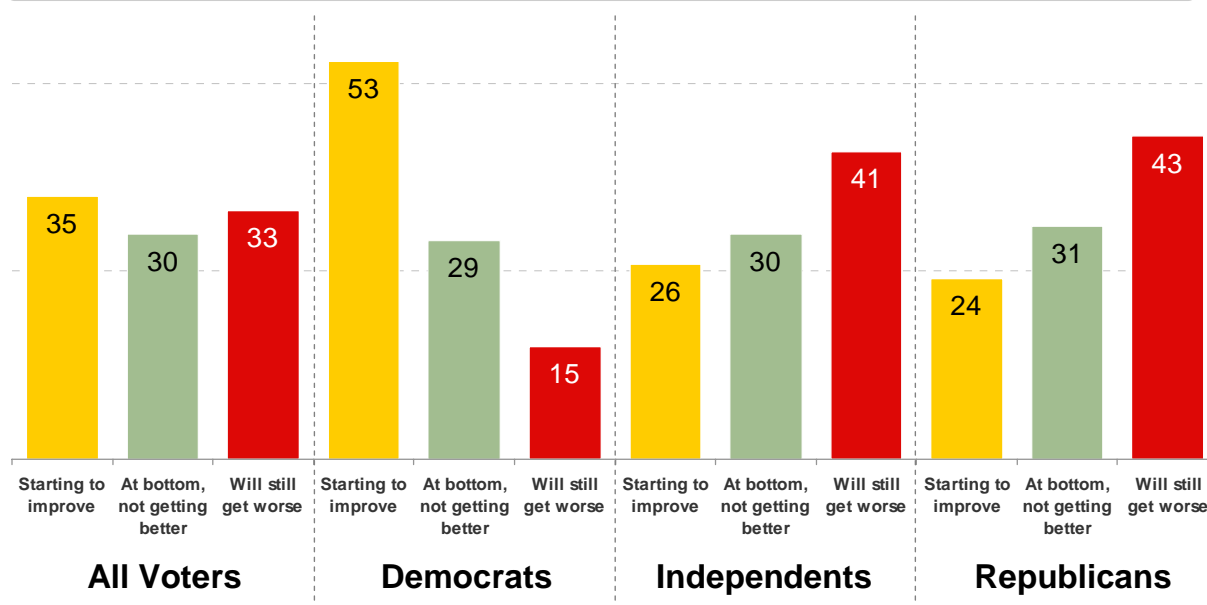
However, voters clearly do not think that the economy has yet turned the corner. Nearly 7-in-10 rate the “state of the economy” unfavorably, with 43 percent holding a very unfavorable view. Moreover, just a third, or so, of voters in the battleground believe the economy has already turned a corner and is “starting to improve.”

Independents are, of course, a key battleground for 2010, and their feelings regarding the economy could be problematic for Democrats. Interestingly, feelings about one’s personal finances are not correlated with partisan identification, but feelings about the state of the economy are strongly correlated, with Democrats much more optimistic. Half of Democrats say the economy is “starting to improve,” but only a quarter of independents and a fifth of Republicans agree.



Dems optimistic, but independents, Reps pessimistic on economy

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?



While 56 percent in the congressional battleground still say that President Obama and the Democrats are “mainly dealing with problems inherited” from Bush (and only 38 percent, “problems of their own creation”), a lot of concern and skepticism remain about the risks of the current course. These voters are split (46 to 49 percent) on whether Obama’s policies have helped avert a worse crisis and laid the foundation for an economic recovery, or whether they have simply run up the deficit while failing to slow job losses. And more troublesome for Democrats, only about a third of independents in the Democratic-held districts say that Obama’s policies have helped avert a crisis while laying a foundation for recovery.

Top Messages Center on Benefits for Middle Class

Considering these results, it is not surprising that a message taking credit for “bold and decisive action” that “pulled this economy back from the brink” fell completely flat with these voters. Across the entire congressional battleground, just 43 percent of voters found this argument convincing, easily the lowest of six Democratic economic messages tested. The timing for such a message is clearly way off – and leaves the voters to hear Republican interpretations of the economy that, at this juncture, are much more in touch with the reality voters are feeling.

Though none of the Democratic messages broke through strongly, the two that tested the best are centered on the tangible benefits (unemployment insurance, tax cuts and preventing police and teachers from losing their jobs) in the stimulus package that helped working families



get through the crisis, and on the need to rebalance the economy to ensure it works for the middle class as we emerge from this recession.

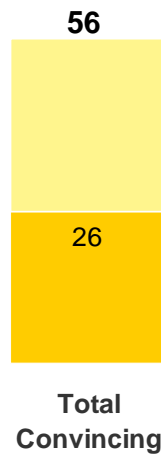
Rebalancing economy, protecting middle class top arguments

Now I'm going to read you some things that Democrats might say about the economy, after each one please tell me if you find the statement to be very convincing, somewhat convincing, just a little convincing, or not at all convincing.

Helping working families through the crisis

We inherited an economy that has left far too many Americans struggling to make ends meet, so we are acting to help them get through this crisis by extending unemployment and health care benefits to Americans who lost their jobs, cutting taxes for 95 percent of working families, and preventing thousands of police officers, teachers and firefighters from being laid off. And as we move forward we are working to make sure that the economy starts to create new jobs again as it begins to pull out of this recession.

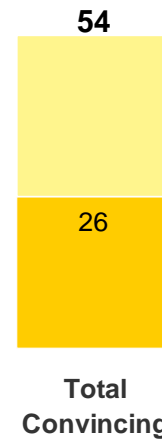
Very Convincing



Rebalance the economy to make it work for middle class

Even before the financial crisis the economy wasn't working for too many middle class Americans. That's why we are working to rebalance the economy to make sure it works for regular Americans by asking the very wealthy and big corporations to pay their fair share while cutting taxes and reducing health care costs for working families and small businesses and creating quality, middle class jobs in alternative energy.

Very Convincing



Meanwhile, Republican messages on the economy were slightly stronger overall, generated more intensity and were significantly more potent with independents voters. The strongest Republican message centered on a straight spending argument, claiming that Democrats had approved 5 trillion dollars in new spending, added to the deficit and left a “mountain of debt” for our grandchildren to pay back. This message was convincing to 58 percent of voters (very convincing to 32 percent) and was actually slightly stronger than a message that tied spending to increasing unemployment.²

² See the battleground [frequency questionnaire](#) for full wording of all Democratic and Republican messages.

**Appendix A: Districts by Tiers**

TIER 1 DEMOCRATIC DISTRICTS					
STATE AND DISTRICT	DEMOCRATIC INCUMBENT	INCUMBENT SINCE	2008 CONG. MARGIN	2006 CONG. MARGIN	2008 PRES. MARGIN
ALABAMA 02*	Bobby Bright	2008	Dem. +1	Rep. +39	McCain +26
ALABAMA 05*	Parker Griffith	2008	Dem. +4	No Rep.	McCain +23
COLORADO 04*	Betsy Markey	2008	Dem. +12	Rep. +3	McCain +1
FLORIDA 08*	Alan Grayson	2008	Dem. +4	Rep. +7	Obama +6
FLORIDA 24*	Suzanne Kosmas	2008	Dem. +16	Rep. +16	McCain +2
IDAHO 01*	Walt Minnick	2008	Dem. +1	Rep. +5	McCain +26
LOUISIANA 03	n/a	n/a	<i>Unopposed</i>	Dem. +15	McCain +25
MARYLAND 01*	Frank Kratovil	2008	Dem. +1	Rep. +38	McCain +18
MISSISSIPPI 01*	Travis Childers	2008	Dem. +11	Rep. +32	McCain +25
NEW HAMPSHIRE 01*	Carol Shea-Porter	2006	Dem. +6	Dem. +2	Obama +6
NEW HAMPSHIRE 02*	n/a	n/a	Dem. +15	Dem. +7	Obama +13
NEW JERSEY 03*	John Adler	2008	Dem. +4	Rep. +17	Obama +5
NEW MEXICO 02*	Harry Teague	2008	Dem. +12	Rep. +19	McCain +1
NEW YORK 24*	Mike Arcuri	2006	Dem. +4	Dem. +9	Obama +2
NEW YORK 29*	Eric Massa	2008	Dem. +2	Rep. +2	McCain +2
OHIO 01*	Steve Driehaus	2008	Dem. +5	Rep. +4	Obama +10
OHIO 15*	Mary Jo Kilroy	2008	Dem. +1	Rep. +0.5	Obama +9
PENNSYLVANIA 03*	Kathy Dahlkemper	2008	Dem. +2	Rep. +12	McCain +0.01
VIRGINIA 02*	Glenn Nye	2008	Dem. +5	Rep. +3	Obama +2
VIRGINIA 05*	Tom Perriello	2008	Dem. +0.2	Rep. +19	McCain +2
TOTAL TIER 1 DEMOCRATIC DISTRICTS:			DEM. +6	REP. +6	McCain +5
<p><i>Margins calculated by "Democratic Vote – Republican Vote." In 'Unopposed' districts, no Republican candidate ran.</i></p> <p><i>NOTE: Starred districts have time series data from previous waves of Democracy Corps research in the congressional battleground this year. Time series data points reflect data only from these districts.</i></p>					



TIER 2 DEMOCRATIC DISTRICTS					
STATE AND DISTRICT	DEMOCRATIC INCUMBENT	INCUMBENT SINCE	2008 CONG. MARGIN	2006 CONG. MARGIN	2008 PRES. MARGIN
ARIZONA 01*	Ann Kirkpatrick	2008	Dem. +16	Rep. +9	McCain +10
ARIZONA 05*	Harry Mitchell	2006	Dem. +10	Dem. +4	McCain +5
CALIFORNIA 11*	Jerry McNerney	2006	Dem. +11	Dem. +6	Obama +9
GEORGIA 08*	Jim Marshall	2002	Dem. +14	Dem. +2	McCain +13
ILLINOIS 11*	Debbie Halvorson	2008	Dem. +24	Rep. +10	Obama +8
ILLINOIS 14*	Bill Foster	2008	Dem. +16	Rep. +20	Obama +11
INDIANA 09*	Baron Hill	2006	Dem. +19	Dem. +5	McCain +1
MICHIGAN 07*	Mark Schauer	2008	Dem. +2	Rep. +4	Obama +6
MICHIGAN 09*	Gary Peters	2008	Dem. +9	Rep. +6	Obama +13
NEVADA 03*	Dina Titus	2008	Dem. +5	Rep. +1	Obama +13
NEW MEXICO 01*	Martin Heinrich	2008	Dem. +11	Rep. +0.4	Obama +20
NEW YORK 13*	Mike McMahon	2008	Dem. +27	Rep. +14	McCain +2
NEW YORK 19	John Hall	2006	Dem. +17	Dem. +2	Obama +2
NEW YORK 20*	Scott Murphy	2009	Dem. +0.5	Dem. +6	Obama +3
NORTH CAROLINA 08*	Larry Kissell	2008	Dem. +11	Rep. +0.3	Obama +6
OHIO 16*	John Boccieri	2008	Dem. +11	Rep. +16	McCain +3
PENNSYLVANIA 07	n/a	n/a	Dem. +19	Dem. +13	Obama +13
TEXAS 17*	Chet Edwards	1990	Dem. +7	Dem. +18	McCain +35
TEXAS 23*	Ciro Rodriguez	2006	Dem. +14	Dem. +8	Obama +3
WISCONSIN 08*	Steve Kagen	2006	Dem. +8	Dem. +2	Obama +8
TOTAL TIER 2 DEMOCRATIC DISTRICTS:			DEM. +13	REP. +1	Obama +3
<p><i>Margins calculated by "Democratic Vote – Republican Vote." In 'Unopposed' districts, no Republican candidate ran.</i></p> <p><i>NOTE: Starred districts have time series data from previous waves of Democracy Corps research in the congressional battleground this year. Time series data points reflect data only from these districts.</i></p>					



MOST COMPETITIVE REPUBLICAN DISTRICTS					
STATE AND DISTRICT	REPUBLICAN INCUMBENT	INCUMBENT SINCE	2008 CONG. MARGIN	2006 CONG. MARGIN	2008 PRES. MARGIN
CALIFORNIA 03*	Dan Lungren	2004	Rep. +5	Rep. +21	Obama +0.5
CALIFORNIA 44*	Ken Calvert	1992	Rep. +2	Rep. +23	Obama +1
CALIFORNIA 45*	Mary Bono Mack	1998	Rep. +17	Rep. +22	Obama +5
CALIFORNIA 50*	Brian Bilbray	1994	Rep. +5	Rep. +10	Obama +4
DELAWARE AL*	n/a	n/a	Rep. +23	Rep. +18	Obama +25
FLORIDA 10*	Bill Young	1970	Rep. +21	Rep. +32	Obama +4
FLORIDA 12*	n/a	n/a	Rep. +15	Rep. +50	McCain +4
ILLINOIS 10*	n/a	n/a	Rep. +5	Rep. +6	Obama +23
LOUISIANA 02*	Joseph Cao	2008	Rep. +3	Dem. +14	Obama +49
MICHIGAN 11*	Thad McCotter	2002	Rep. +6	Rep. +11	Obama +9
MINNESOTA 03*	Erik Paulsen	2008	Rep. +8	Rep. +30	Obama +6
MINNESOTA 06*	Michele Bachmann	2006	Rep. +3	Rep. +8	McCain +9
MISSOURI 09*	Blaine Luetkemeyer	2008	Rep. +2	Rep. +25	McCain +11
NEBRASKA 02*	Lee Terry	1998	Rep. +5	Rep. +10	Obama +1
OHIO 02	Jean Schmidt	2005	Rep. +7	Rep. +1	McCain +20
OHIO 12*	Patrick Tiberi	2000	Rep. +13	Rep. +14	Obama +7
PENNSYLVANIA 06*	n/a	n/a	Rep. +4	Rep. +2	Obama +17
PENNSYLVANIA 15*	Charlie Dent	2004	Rep. +17	Rep. +11	Obama +14
TEXAS 10	Michael McCaul	2004	Rep. +11	Rep. +15	McCain +10
WASHINGTON 08*	Dave Reichert	2004	Rep. +6	Rep. +2	Obama +15
TOTAL REPUBLICAN DISTRICTS:			REP. +13	REP. +16	Obama +6
<i>NOTE: Starred districts have time series data from previous waves of Democracy Corps research in the congressional battleground this year. Time series data points reflect data only from these districts.</i>					