

Date: March 30, 2010
To: Friends of Democracy Corps and Center for American Progress
From: Stanley B. Greenberg, James Carville, Peyton M. Craighill and Jesse Contario

Despite Macro Economic Growth, ‘Real Economy’ Declines for Real People *Analysis of Monthly Economic Tracking: Mid-March Survey*

Citizen Opinion and the Center for American Progress have begun their economic tracking surveys which will take a serious look each month at how voters are experiencing the current economy and examine voters’ perceptions about if and when the economy will recover. Democracy Corps will begin reporting on these findings and their potential political ramifications on a monthly basis.

The main economic and political trends from this mid-March survey are highlighted below:¹

- At a personal level, the real economic experience for people is getting a little worse: more job losses, more reduction in wages and hours, and many more losing health insurance this month.
- Fewer report finding a job or re-entering the job market. In fact, the recession seems to be worsening for new Democratic base voters: minorities, young voters and unmarried women.
- Voters are more negative about the state of the economy and more pessimistic about future growth in employment.
- Pessimism has jumped, particularly among unmarried women and voters under 30, two groups central to the new Democratic base and who have been disproportionately hurt throughout the current downturn.
- Democrats have lost significant ground on whom voters trust on the economy - and all economic measures, from creating jobs to handling the federal budget

¹ This memo is based on a poll conducted by Greenberg Quinlan Rosner for Citizen Opinion and the Center for American Progress. The poll was conducted March 15-18, 2010, among 2008 voters nationwide. All analysis in this memo unless otherwise noted is among the 1,016 2008 voters.



deficit. The biggest losses have come from the Democrats' new base voters – unmarried women, the young and minorities.

- Despite this increased pessimism, voters remain split over the efficacy of President Obama's economic policies and over whether he and the Democrats are more concerned with creating jobs for ordinary Americans, or bailing out Wall Street.
- Likely 2010 voters still lean toward voting Republican to protest the direction of the economy, rather than voting Democratic to not jeopardize the current economic recovery (49 to 42 percent) – though that is stable from January.
- As in prior polls, these numbers are all much grimmer among white non-college and working class voters.

The Real Economic Indicators: Loss of Job and Reduced Wages Continue to Dominate

In January, Citizen Opinion and CAP began tracking a series of key indicators of people's personal economic experiences. We have seen a slight increase in each of the negative economic indicators they track - loss of a job, reduced wages or hours at work, and loss of health insurance – despite the growth in GNP in the past quarter. Also, the proportion reporting they have experienced either getting a new job or re-entering the workforce has dropped.

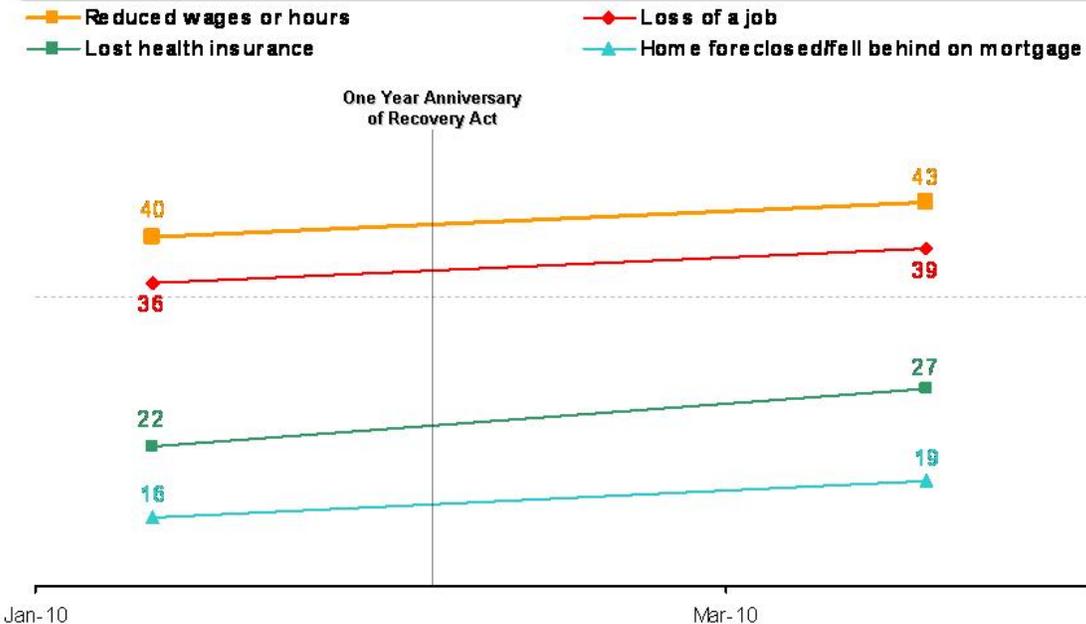
As in January, the most widely shared experience in the recession is reduced wages and hours: 40 percent in January (for self and family) to 43 percent now. Those most disproportionately impacted by this were white younger (under 50) voters without a college degree.

Loss of a job remains right behind this with nearly four-in-ten (39 percent) saying that either they (13 percent) or someone in their family (26 percent) have experienced this, up slightly from 36 percent in January.



Increase in negative experiences in real economic indicators

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: January data from Democracy Corps survey conducted January 7-11, 2010. Data from full sample of 2008 voters. All data reflects those who have either personally or had a family member impacted by these experiences.*

Younger non-college voters (under 50) and the new Democratic base voters continue to be disproportionately impacted by job losses. Voters under 30 have experienced the largest uptick in personal experience of losing a job since January with 28 percent now reporting that they personally have lost a job.

White college graduates have experienced much fewer job losses in this recession, though that may have gone up since January.

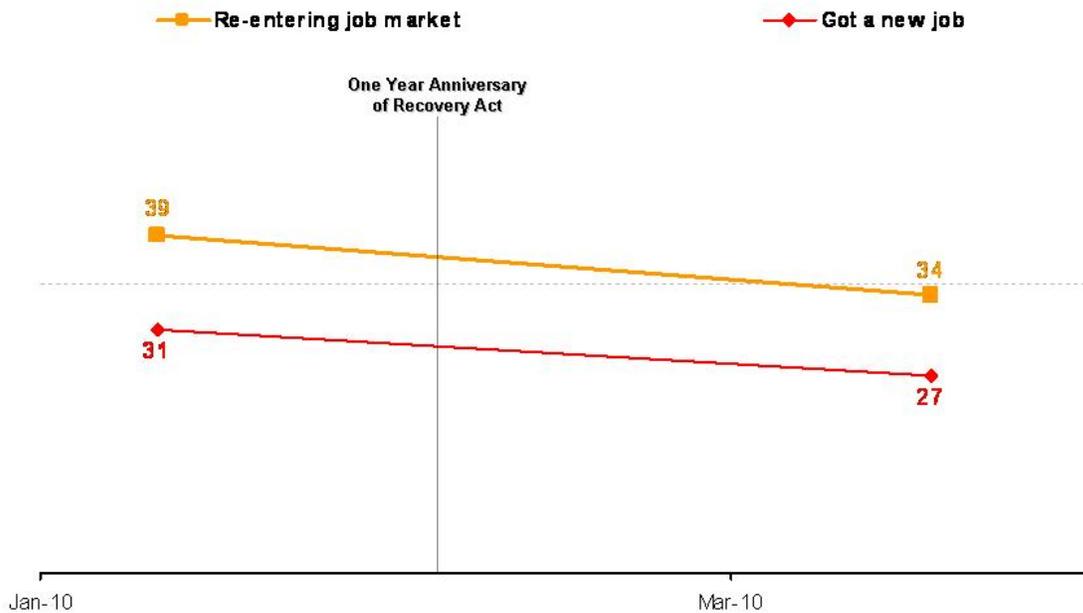
Similarly, the proportion of voters that have lost their health insurance coverage increased this month, from 22 percent in January to 27 percent in March. Unmarried women continue to be the hardest hit by this.

To see if the recession is beginning to draw people back into the job market, we monitor whether people have gotten a new job or rejoined the job market, but both have fallen since January.



Positive indicators also see trend downward

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: January data from Democracy Corps survey conducted January 7-11, 2010. Data from full sample of 2008 voters. All data reflects those who have either personally or had a family member impacted by these experiences.*

The recession seems to be worsening for our new base voters: non-whites, those under 30 and unmarried women. While more than half of non-white voters in our January survey reported that either they or someone in their family had rejoined the job market, fewer than a third (32 percent) said the same in March.

Even for those who said that they found a new job, a 40 percent plurality said it was for less pay than they previously made, while 28 percent said it was for the same amount. Only 21 percent were able to find a new job where they made more.

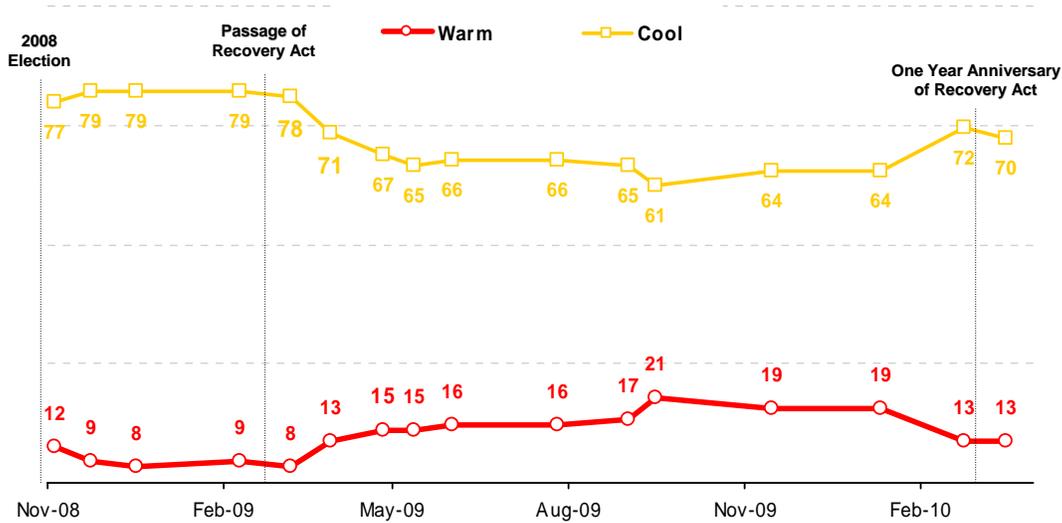
Perceptions of the Economy Grow More Pessimistic

Despite early signs that the economy may recover faster than most expected, the nation remains extremely pessimistic about where things currently stand. Positive ratings of the current state of the economy are stuck at just 13 percent on our thermometer rating scale, while seven-in-ten still look at it negatively. Ratings of personal finances are higher than the overall economy at 46 percent, but have been under a majority for several months.



The state of the 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. **The state of the economy...**



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

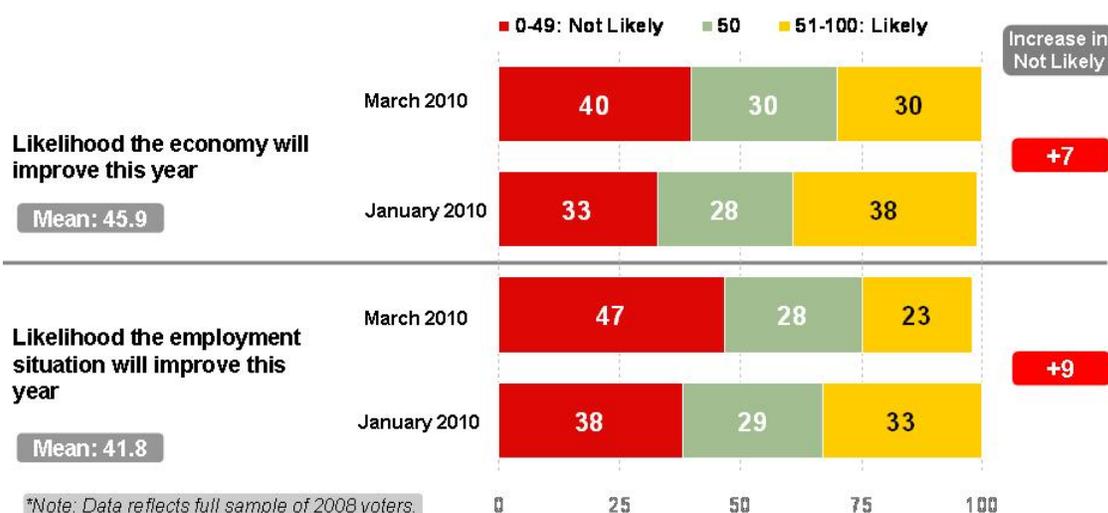
When considering the probability that the economy will improve over the next year, just 30 percent now believe it is likely that it will, a drop of 8 points since January. Many of the groups most impacted by the real economic indicators are among those who have shown a particularly pronounced decrease in optimism about future improvements in the national economy over the last two months – unmarried women (down 9 points), non-whites (down 10 points), and white non-college graduates (down 12 points).

Moreover, people remain even more bleak about the likelihood of improvement in the employment situation, with only 23 percent giving better than 50:50 odds that it will improve this year (down from 33 percent in January). Again, optimism fell most among those groups hit hardest – voters under 30 (down 25 points), new Democratic base voters (down 12 points) and unmarried women (down 16 points).



Increased pessimism on economy and job prospects

Please rate how likely you think it is that **the economy/the employment situation will start to improve this year** on a scale from zero to one hundred, where zero means that you think there is no chance that the economy/employment situation will start to improve this year and one hundred means you think that it is absolutely certain that the economy/the employment situation will start to improve this year. Fifty means that you think there is a 50/50 chance that the economy/the employment situation will start to improve this year. You can use any number from zero to one hundred.



The Politics of the Economy

The Republicans have opened up a 6-point advantage on whom voters trust on the economy. Only 38 percent choose the Democrats, down 5 points from last month. Similarly, Democrats lost significant ground on who voters prefer on the budget deficit, moving from a 5-point deficit last month to a 13-point deficit in March (31 to 44 percent).²

On both of these measures, the drops are driven mostly by African-American and Latino voters, voters under 30 years old, and unmarried women.

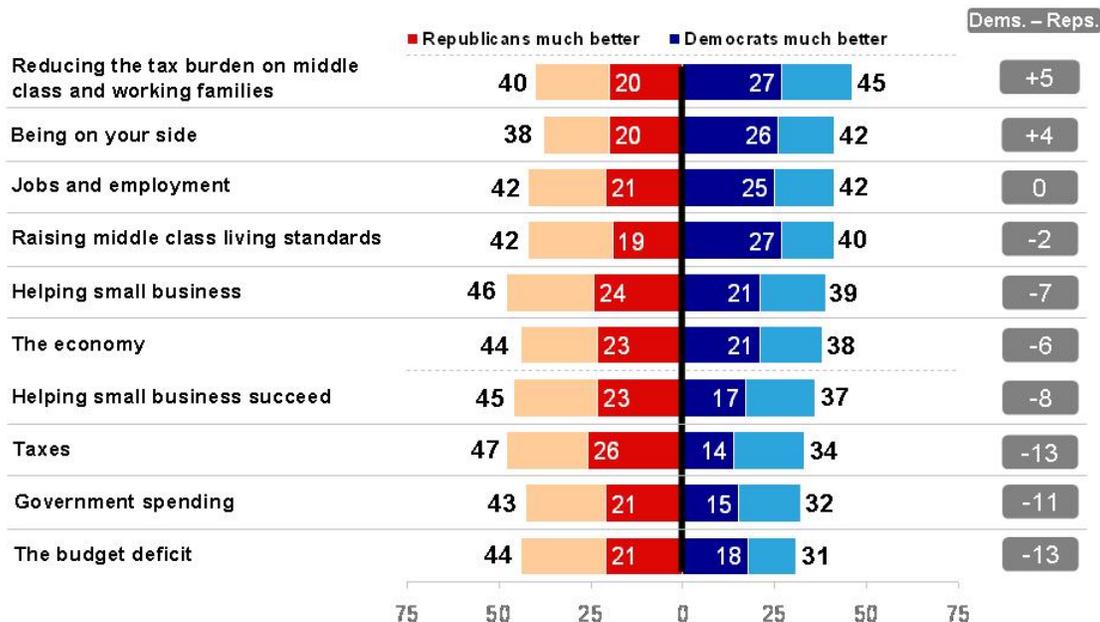
The Democrats lag behind the Republicans on a broad range of economic issues – even more so among those most likely to vote in 2010: dealing with taxes (a 14-point gap), government spending (11 points) and helping small business (7 points). These gaps have grown in the last several months.

² Analysis for the section “The Politics of the Economy” done among 850 voters who are likely to vote in the 2010 election.



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.



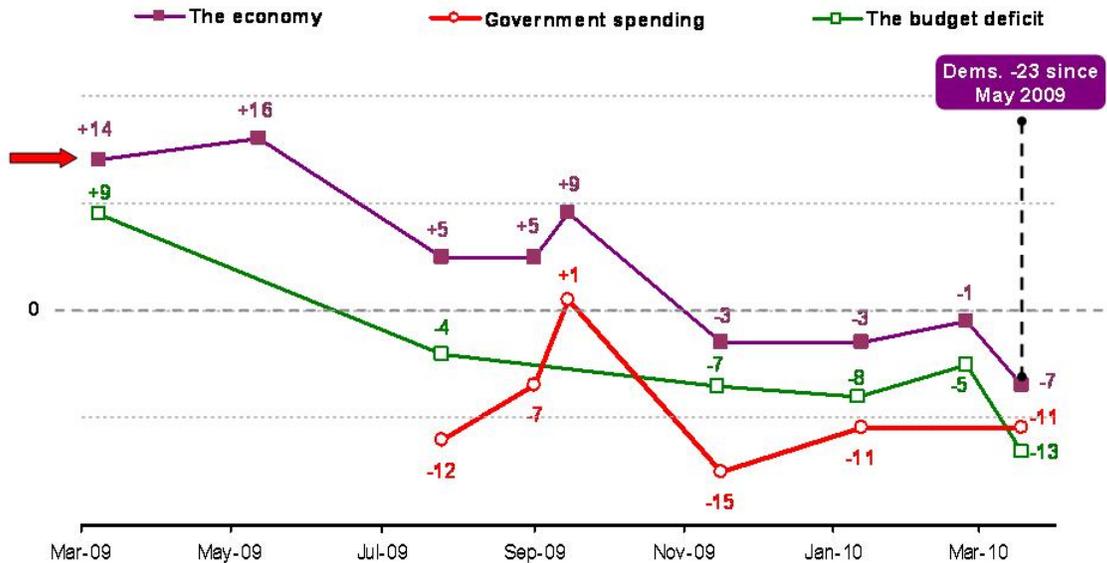
Democrats continue to lose ground on which party would do a better job dealing with jobs and employment. In November, Democrats held a small 4-point advantage over Republicans on this measure; today, they split with 42 percent for each party.³

³ November data from a poll conducted by Greenberg Quinlan Rosner for Democracy Corps. The poll was conducted among 1,000 2008 voters nationwide (847 likely voters) November 12-16, 2009



Lack of economic progress drives trust in Democrats down on issues

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.*

Democrats do hold an advantage over Republicans on reducing the middle class tax burden at +5 and “being on your side” at +3 (the last measure being particularly important as a significant predictor of congressional vote in our regression analysis).

More voters still blame former President Bush than President Obama for the current state of the economy, but that has narrowed – from a 27-point difference to 17 now.

Nonetheless, on the key measure of whether Obama’s policies helped avert an even worse crisis or did nothing more than run up record deficits while failing to create jobs, the voters remain split: 45 to 48 percent. This will be a key metric that we will continue to monitor throughout the year.

The one important measure where Obama and the Democrats have gained is on alignment with Wall Street. Two months ago, more believed the President to be on the side of bailing out Wall Street rather than creating jobs for ordinary Americans by an 8-point margin, but that has been all but erased with a split result now (44 to 46 percent).

Bottom line: voters still lean toward casting a protest vote due to the economy. Among 2010 likely voters, 49 percent say they want to vote for the Republicans to protest the direction



of the economy, while 42 percent say they will vote Democratic in order not to jeopardize the recovery. That margin for casting a protest vote is stable since January.