

Date: January 27, 2010  
To: Friends of Democracy Corps and Greenberg Quinlan Rosner  
From: Stanley B. Greenberg, James Carville, Andrew Baumann and Jesse Contario

## **The Economic Crisis and Populist Revolt at Boiling Point**

*Surveys for Democracy Corps and NPR put America's Politics at a Critical Moment*

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With President Obama delivering his State of the Union Address tonight, we wanted to make sure you had our interpretation of this key moment based on a Democracy Corps and Center for American Progress national survey conducted *right before* the Massachusetts Senate election and a National Public Radio bipartisan poll conducted with Glen Bolger of Public Opinion Strategies *right afterwards*. We take these developments very seriously, but we also want to offer perspective and set out major steps that can produce a very different future.

The upset in Massachusetts was the culmination of yearlong trends that reached their boiling point even before these voters gave Ted Kennedy's Senate seat to a Republican. Voters are increasingly consumed by unemployment and want their leaders to address that priority, yet leaders in Washington seem polarized and gridlocked, pushing a health care bill now defined by special deals rather than its benefits and the reforms that voters want. They are worried about spending and angry about the bailout of Wall Street that has no shame. Both the Democracy Corps and NPR polls show near 60 percent of voters believing the country is off on the wrong track. That is normally a measure of the lack of confidence in the economy, congressional progress and national leadership.<sup>1</sup>

As you will see, this is reflected in disillusionment with incumbents, Democrats, and the Democratic Congress, even as Republicans remain unreconstructed. There is a populist and conservative revolt against Wall Street and financial elites, Congress and government, and it is centered among independents. Democrats and President Obama are seen as more interested in bail-

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<sup>1</sup> This memo is based on the results of a Democracy Corps poll conducted by Greenberg Quinlan Rosner of 1,001 2008 voters nationwide (836 likely 2010 voters) January 7 – 11, 2010 and a poll conducted by Public Opinion Strategies in conjunction with Greenberg Quinlan Rosner of 800 likely voters nationwide for National Public Radio January 20-21 & 23, 2010. Neither NPR or POS are responsible for the views shared in this memo. This memo also includes findings from focus groups conducted by Democracy Corps in Orlando Florida among seniors and men aged 30-45 without a college degree and in Columbus Ohio among women aged 30-45 without a college degree and women aged 45-60 with a college degree.



ing out Wall Street than helping Main Street. Stir in demoralized Democrats and energized Republicans and you reach a boiling point. Democracy Corps showed the named-congressional ballot slipping to minus one point (45 to 46 percent), half way between the average of the public polls, which have the Democrats ahead by 2, and the NPR poll showing Republicans moving ahead by 5 points.<sup>2</sup>

The big question is whether this mood, all too reminiscent of 1994, will be controlling in November. Or will voters see a different kind of politics, priorities and progress over the next nine months? Will tempers cool? Will voters begin to consider whether they really want to go back to Republican rule and the Bush policies that favored Wall Street, big business and the wealthiest while hurting the middle class and America? Will they consider whether they want to turn to Republicans who opposed all help for the unemployed at a time of economic crisis of their own creation?

Before Massachusetts, there was some evidence that key indicators and sentiment had stabilized since November and that, perhaps, the environment is at a low point for Democrats – bad timing for a special election. While the congressional generic vote in the NPR survey suggests some Massachusetts effect, there is also evidence for stabilization and an election being fought right now at close to parity and at the low point. Despite the bleak mood, there is some evidence in both polls of an uptick in optimism about the economy.

Our analysis of these surveys suggests a number of things that Democrats can do to move America to a different place:

1. ***Pass health care and explain it anew.*** While the route to passing health care is difficult, passage would signal a break of the gridlock in Washington. Health care reform has become a metaphor for ineffective government and gridlocked Washington politics, while passage provides an opportunity to explain its economic benefits.
2. ***Get the spotlight off of Congress.*** Shift the focus away from Congress, the sausage-making of legislating and the polarization of Washington.
3. ***Turn to jobs and focus relentlessly on bringing the economy and small business back.*** Long-term unemployment and its effects require a Democratic president and Congress who understand this public priority.
4. ***Act on reforming Wall Street.*** Pass Wall Street reforms, including CEO bonuses and bank fees, to reclaim the cost of the bailout. The NPR poll shows Democrats much more in touch with the country here.
5. ***Take visible action to cut spending and reduce the deficit.***
6. ***Get the economic narrative right.*** As the economy recovers painfully slowly, get the narrative right to move voters from their current protest vote to a place where

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<sup>2</sup> Average from national polls collected by pollster.com as of January 26, 2010. Most polls ask the vote in the generic form. Note that this average excludes Rasmussen polls, which have shown to be outliers.



voters don't want to put the recovery at risk by voting Republicans into office who want to go back to the same policies that got us into this mess.

7. *Sharply define the Republicans and the real choice in the election.*

**Anti-Washington Mood Turning Into Anti-Democratic Sentiment**

The pervasive anti-incumbent mood evident since the summer has turned against the Democrats who are in charge of Washington. Everything Democratic has trended down, though this trend is moderating in the Democracy Corps survey. The 'Democratic Congress' thermometer rating has fallen to a mean of 41.3 degrees, 2 degrees below the 'Republicans in Congress' – only the third time that has happened in Democracy Corps polling.

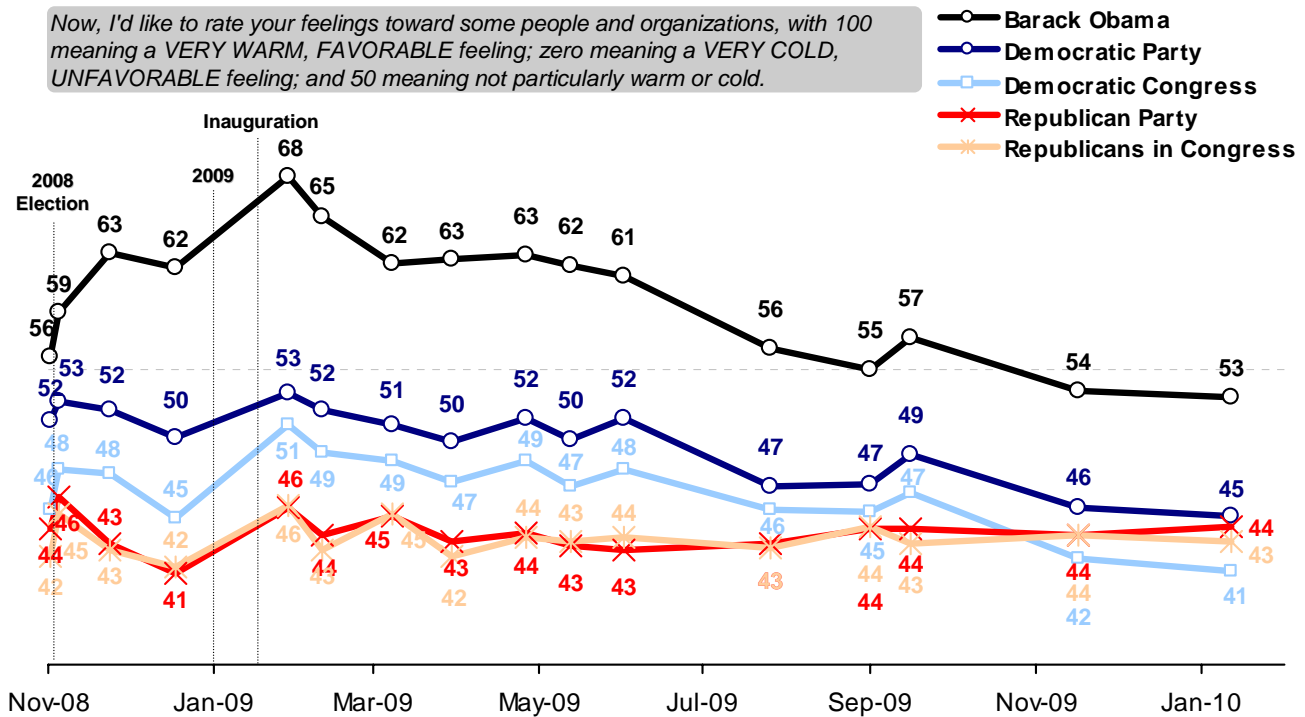
There has been no parallel story of a recovering Republican brand. Its scores remain unchanged and stuck at a low point. That, more than anything, suggests that this is not 1994 and there is opportunity to create a choice for the fall.

While Democrats continue to hold a small favorability advantage over the Republicans, the same is not true among independents. Independent voters hold more negative views of both parties, but their views of Democrats have turned especially sour: a mean thermometer rating of just 37.0 degrees for the Democrats, compared to the 41.8 for Republicans.



## Democratic favorability declining, Republican unchanged

Now, I'd like to rate your feelings toward some people and organizations, with 100 meaning a VERY WARM, FAVORABLE feeling; zero meaning a VERY COLD, UNFAVORABLE feeling; and 50 meaning not particularly warm or cold.



\*Note: Data represents the MEAN ratings from Democracy Corps surveys conducted since the 2008 election. After the election, data reflects 2010 likely voters.

The anti-incumbent mood has also turned populist for two reasons. First, there is a belief that President Obama and the Democrats are more concerned with bailing out Wall Street than helping ordinary people (49 to 41 percent). But second, this is because of the conservative surge and conservative revolt against government. About 45 percent of voters now self-identify as conservative, roughly 4 points above where it has stood in previous years. This is accompanied by a rise in support for the NRA – a kind of proxy for anti-government sentiment. (There has been no rise in the thermometer rating for pro-life groups, suggesting the character of this ideological shift.)

The independent pull back from the Democrats also has an ideological character. According to a combined dataset of Democracy Corps polling conducted throughout 2009, the proportion of independents self-identifying as conservative has increased significantly since 2008. In our 2008 polling, 32 percent of independents self-identified as conservative (a proportion that has been mostly stable since 2003), in 2009 that figure jumped a full 10 points with 42 percent of



independents identifying as conservative.<sup>3</sup> The result is Democrats losing independents by 14 points in the Democracy Corps survey and 11 points in the NPR survey.

### **Obama a Step Apart and Stable, Not Falling Support**

Just as exit polls in New Jersey, Virginia and Massachusetts showed that most voters were not trying to send a message to Obama, these two national polls show the President a step outside the boiling pot. His approval rating has been stable at 48 or 49 percent since November, though his enthusiastic approval has fallen from 33 to 28 percent and below his level of strong disapproval, which has not changed.

A majority of independents now disapprove (55 percent), with only 39 percent approving. Strong disapproval has reached 40 percent among this group – double the number who strongly approve. This pattern has been evident since the fall.

Nonetheless, in a recent round of Democracy Corps focus groups with independent and swing voters, we saw that voters are willing to give Obama some space, want to see the President succeed and realize that it will take time to change things. As one woman in Columbus, Ohio said, “I do think that he is breathing some fresh air in, but it is going to take time...I think people need to be patient with him because I do think it (change) is going to happen...” Another woman said, “I think that we have to give him (President Obama) a chance to see if we can change things.”

Just as the President’s approval rating has stabilized after dropping some, so too has his personal favorability rating, landing at a mean rating of 53.1 degrees.

For all of the difficulties, the NPR survey shows that 50 percent of the country believes President Obama is trying to bring the “right kind of changes for the country,” with 46 percent saying he is pursuing the wrong ones.

The country has not yet reached a judgment on whether the President’s economic policies will succeed: 45 percent believe they have helped avert an even worse economic crisis, while 49 percent thinks they’ve done little more than raise the deficit while failing to end the recession. With the NPR survey showing nearly identical results, it is clear the jury is still out on the President and the economy.

### **Fallen to Parity on Most Issues and Congressional Ballot**

There is no doubt that Democrats have lost ground in the congressional vote. This is not just about turnout. The electorate has shifted, including among independents. The Democrats in the Democracy Corps poll only had a 2-point edge among the 2008 presidential voters who gave congressional Democrats an 8-point win in November 2008.

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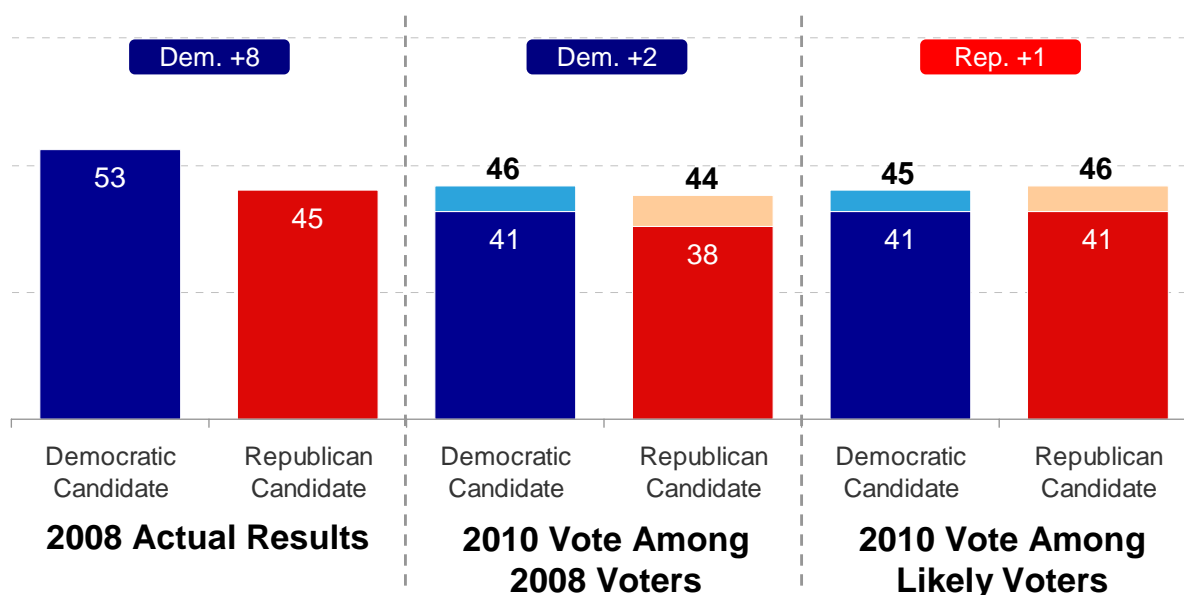
<sup>3</sup> Based on a combined dataset that includes 6,013 interviews (1,637 among independents) collected in Democracy Corps polling conducted between March and September of 2009.



## Democrats running short of '08 margin among same electorate

*I know it is a long way off, but thinking about the elections in 2010, if the election for U.S. Congress were held today, would you be voting for (DEMOCRATIC HOUSE CANDIDATE) or (REPUBLICAN HOUSE CANDIDATE)?*

■ Democratic Candidate ■ Republican Candidate



*\*Note: Show full sample of 2008 voters – includes those who voted in 2008 but who are not likely to vote in 2010. Actual results based on secretary of state reports.*

While the Democracy Corps poll shows Democrats down by a point among likely voters, it also shows Republicans very enthusiastic about November with 46 percent saying they are a '10' on our zero to 10 scale. By contrast, only one-third of Democrats and 35 percent of independents respond similarly. In this survey, among "core voters" (those who voted in 2006 and 2008 and are almost certain to vote in 2010), Republicans hold a 4-point advantage (48 to 44 percent). When the electorate is reduced somewhat to only those scoring 8-10 on our enthusiasm scale, Republicans have a 10 point lead (51 to 41 percent). Obviously, Republicans have a reason to turn out and whether Democrats find one will greatly impact the congressional elections.

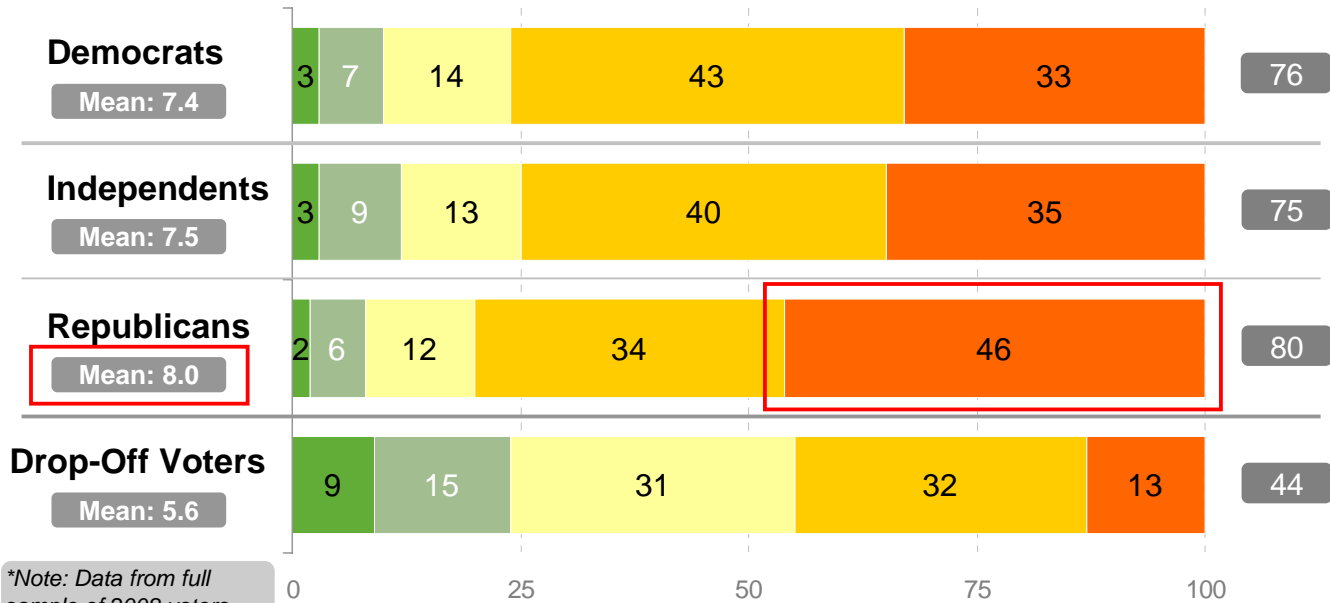


## Republicans intensely enthusiastic about 2010 vote

Please rate your level of enthusiasm about voting in this year's election for Congress on a scale from zero to ten, where zero means you're not at all enthusiastic about voting this year and ten means you're extremely enthusiastic about voting this year. You can use any number from zero to ten, the higher the number the more enthusiastic you are about voting this year.

Total  
6-10

0: Not at all: 1-4: Not enthusiastic 5: In the middle 6-9: Enthusiastic 10: Very



At least part of this enthusiasm gap is driven by strong opposition to health care reform among Republicans. The debate in the Senate brought support for reform down to its lowest point. Strong opposition is at 46 percent, far outnumbering strong supporters.

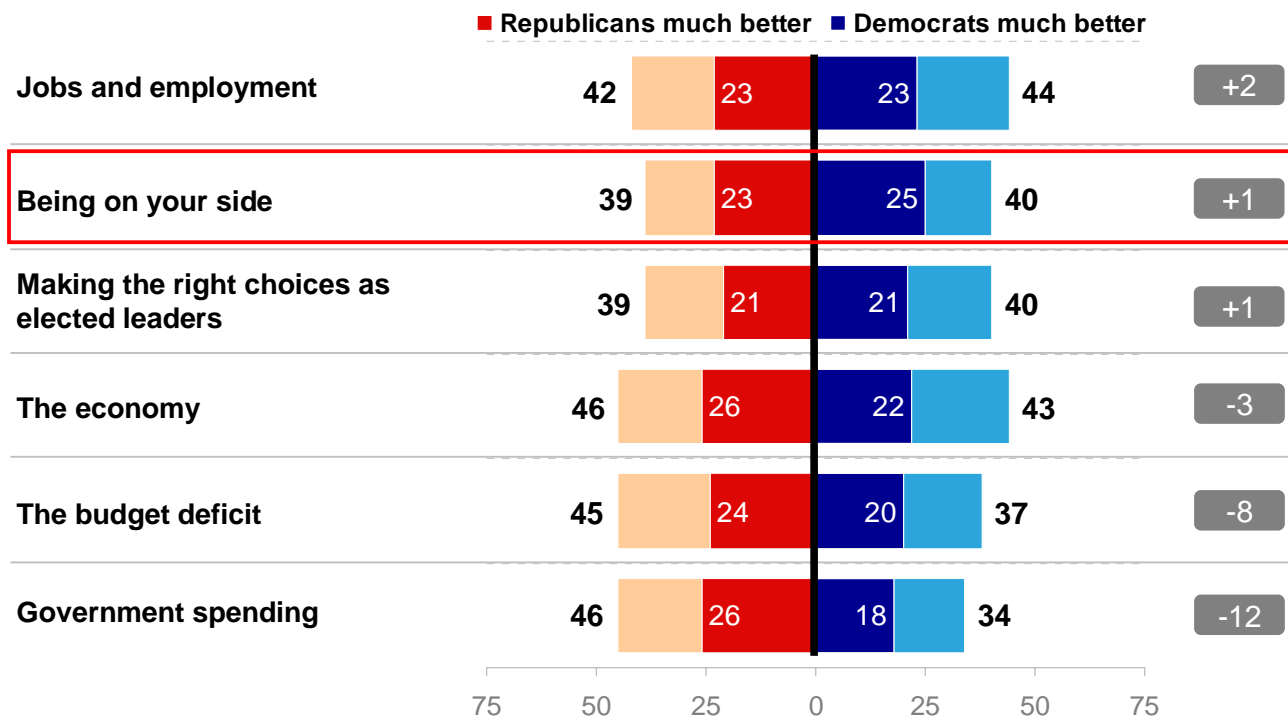
However, on the key issues and values of the day, voters' views have also stabilized since November and have emerged almost evenly divided on which party does a better job handling the economy, jobs and employment, making the right choices as elected officials and being on your side. Voters are split 40 to 39 percent (Democrats to Republicans) on being on your side – the strongest vote predictor in our regression modeling.



## Core economic issues evenly contested

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.

Dem. –  
Reps. better



There is no doubt about the Democrats’ lost altitude over the year, nor that they find themselves in a heated moment after Massachusetts, but it is also true that on most measures the political situation has stabilized since November and that the parties are at near parity on most issues. Does a new narrative in the New Year bring a different trajectory and temperature?

### The Economy and the Populist Revolt

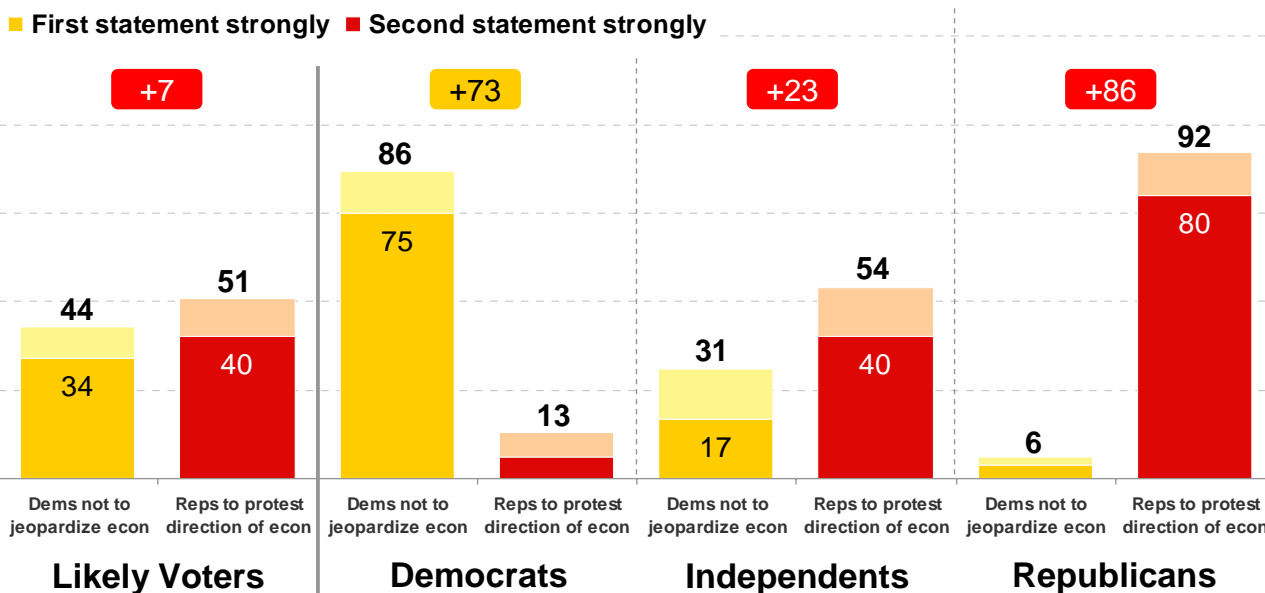
At this boiling point, the economy has contributed to the populist revolt. A majority of 51 percent says they want to vote for a Republican to protest the direction of the economy while 44 percent say they want to vote for a Democrat so that we do not jeopardize the chance of an economic recovery. That is a 7-point advantage for protest voting, which we will monitor over the year.



## Tracking the tipping point on the economy: continue vs. protest

**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.



But there is also the first evidence that voters are seeing some economic changes. In both the NPR and Democracy Corps polls we see, for the first time, more than two thirds of voters saying that the worst of the economic crisis is behind us. Moreover, the proportion of voters saying that things have already started to improve is up and now stands at roughly four-in-ten in both polls. And when asked if things are better or worse than they were one year ago the proportion saying worse has dropped since July from a slim majority to only 41 percent in the NPR poll.

Our focus groups reinforced these findings as for the first time since the financial crisis occurred over one year ago we witnessed some sense of optimism about the economy. This should not be overstated as participants still discussed their own serious economic difficulties, but for the first time people openly stated that they are cautiously optimistic about the economic future. As one senior in Orlando, Florida said, “I think that it [the economy] is getting better and I really don’t see what other directions there is [for it to go].” A man in Orlando expressed his belief that things will improve because America has been through rough patches before saying, “I am optimistic simply because I do feel that the American people have the ability to pull through without a doubt. If there’s a country that can come out of this recession or even a depression it would be ours.”

This flicker of optimism is the first we have seen since the financial crisis and could impact voters’ moods as we move toward the 2010 elections.



Meanwhile, voters continue to blame the current economic crisis on former President Bush, with no signs of that blame shifting to President Obama. Underscoring that may effect how Democrats frame the choice in November.

### **Framing the Election**

The Democrats have been so busy trying to govern through a crisis that there has been little time to develop a narrative, define the Republican opponents or pose a choice for the upcoming election. These devices will not get traction until there is more movement on the economy and governance, but it does not mean it is too early to begin creating a framework.

People are living through economic difficulties and one of the strongest choices focuses on what the Democrats did to help people, while Republicans voted against all new help for the unemployed at a time of economic crisis. In our focus groups many volunteered how vital the extension of COBRA was to their survival. Over half of the voters in the poll said they were more likely to support a Democrat when focused on that choice.

A similar number are more likely to support the Democrat when they present the choice: Democrats are fighting to make the economy work for the middle class, while Republicans fight for more breaks for wealthiest Americans, big corporations and special interests. This was very believable in the focus groups, where participants viewed Republicans as out of touch and defenders of the status quo and Wall Street.

Voters overall, but especially Democrats respond to a motivating choice between continuing to move forward with the changes Democrats have implemented or going back to the policies of George Bush and continuing the status quo. An attack on Republicans for wanting to go back to the policies of George Bush and Dick Cheney – policies that hurt the middle class while protecting tax cuts for the wealthiest, bonuses for CEOs and the profit of the insurance companies – also tested very well, particularly among Democrats.

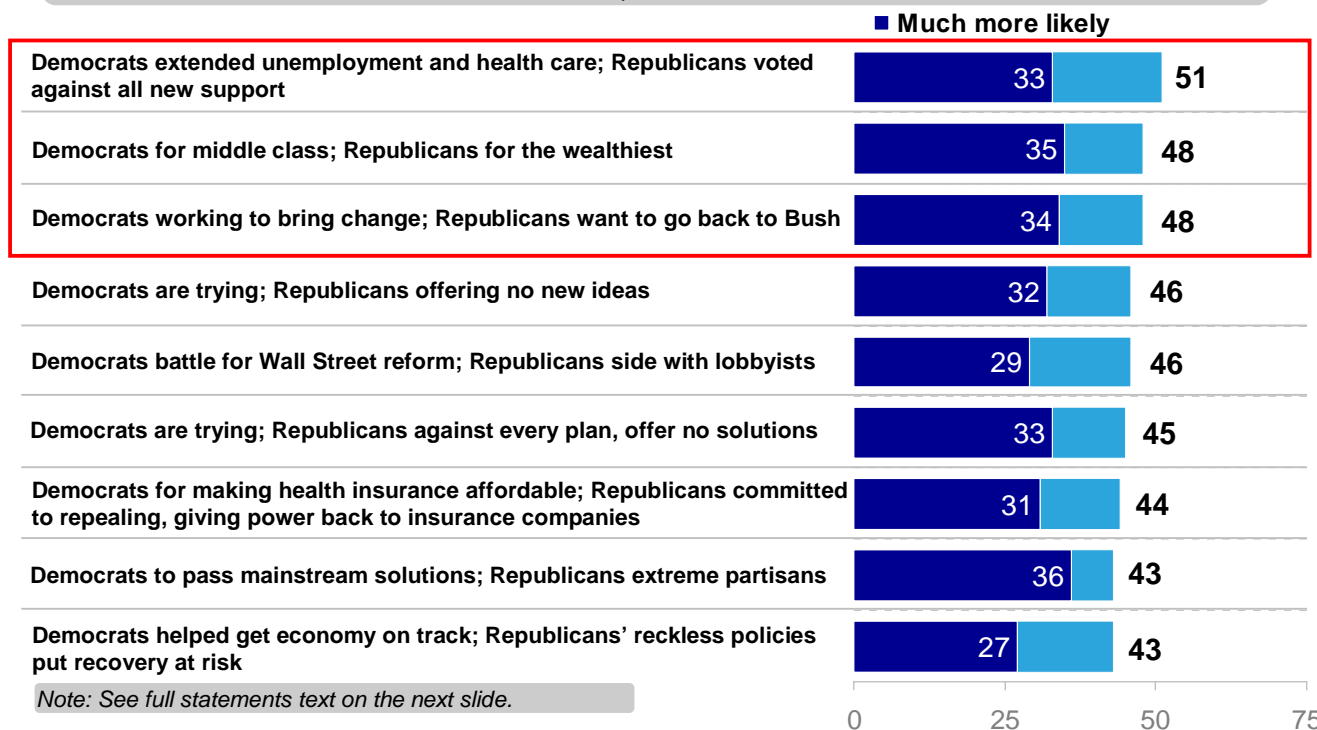
A straight out attack on Republicans for efforts to privatize Medicare was the strongest tested attack: Republicans developed and voted for a plan that would have put an end to Medicare and forced seniors to buy insurance directly from insurance companies. After hearing this a striking 57 percent said they were less likely to vote for the Republican candidate, with 41 percent much less likely.

Republican messages tested about 5 points stronger in this survey, but campaigns are dynamic. We presume this is the worst possible moment to be testing these choices, which will gain traction as Democrats move on the steps described below.



## Democratic frames: what the election is about

*For each, please tell me if it is a difference that makes you MUCH MORE LIKELY to vote for a Democratic candidate this November, SOMEWHAT MORE LIKELY, NO MORE LIKELY to vote for a Democratic candidate this November, or is it NOT A REAL DIFFERENCE between Democrats and Republicans?*



### Changing the Dynamic of 2010

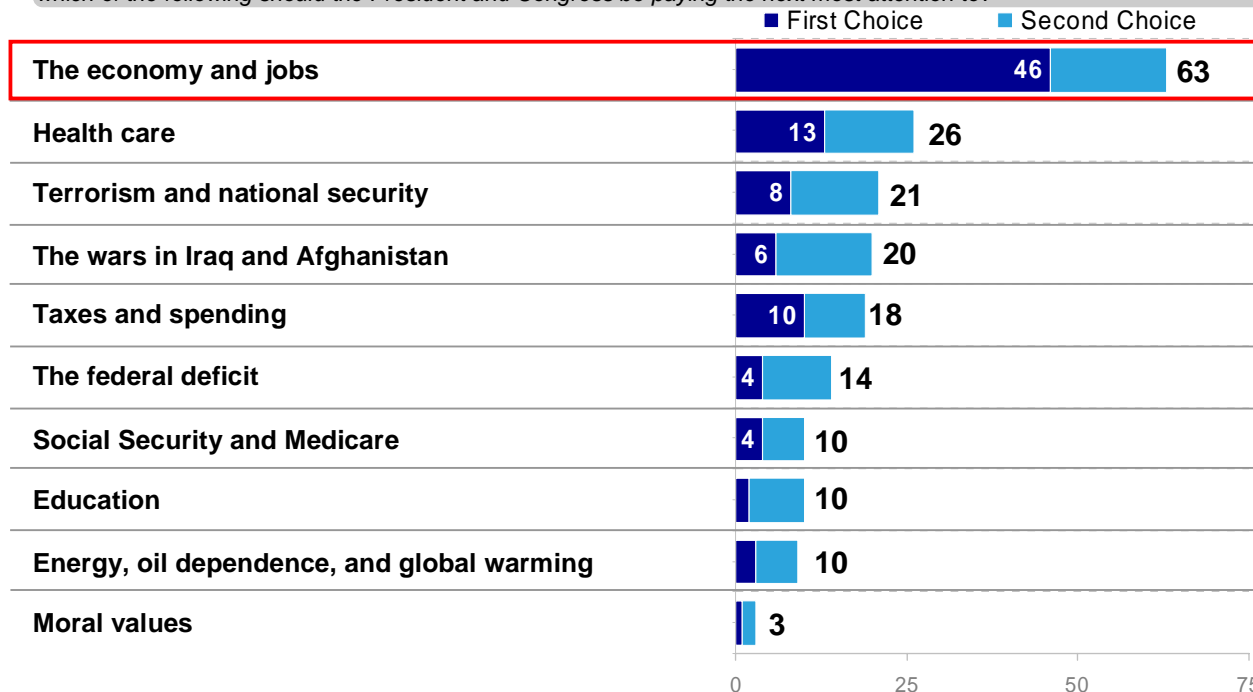
The NPR survey asked voters what issues the president should prioritize and what coming out of the State of the Union address should be his focus. They are pretty clear: 63 percent want him to prioritize the economy and jobs. Health care is next, but a distant second. When we ask in which bills to advance after the State of the Union, 70 percent choose a jobs bill and 49 percent a deficit reduction plan.

Any plan to change the dynamic must see different priorities in the coming months – and show evidence of progress on all three of those policy areas.



## Presidential/congressional focus should be on economy and jobs

Which ONE of the following issues do you think the President and Congress should be paying most attention to? And which of the following should the President and Congress be paying the next most attention to?



\*Note: From national survey of 800 likely voters conducted January 20-21 & 23, 2010 by Public Opinion Strategies in conjunction with Greenberg Quinlan Rosner for National Public Radio.

Also contributing the boiling point are the extraordinary Wall Street bonuses in the same year as the taxpayer bailout. That too is part of a new way forward. While voters have been cautious about Democrats potential favoring of Wall Street over Main Street, there is no such caution on a proposal to impose fees on the largest banks. By 57 to 39 percent, voters agree with the Democrats that this will discourage big bonus payouts and ensure that the big banks that caused the crisis pay for the bailout. These initiatives have the chance to change the current dynamic.



## Voters agree with Democrats on Responsibility Fee

As you may know President Obama recently proposed what some are calling a responsibility fee and others are calling a bank tax on the largest financial institutions. Now I am going to read you two statements about this proposal and please tell me which statement comes closer to your own view, even if neither is exactly right.

### Democratic Statement: Responsibility Fee protects taxpayers, encourages accountability

Democrats say that if the Wall Street banks are healthy enough to pay enormous bonuses to their CEOs, then they are healthy enough to pay back every dime they received from taxpayers. This responsibility fee will discourage big bonus payouts and ensure the big banks that caused the crisis pay for the bailout.



Democratic statement

### Republican Statement: Bank Tax will hurt consumers and businesses, slow job growth

Republicans say that taxing banks that fully paid their government funds back with interest in order to pay for other overspending by the government will end up being a tax on consumers in the form of higher fees. This tax will also make it harder for businesses to get loans, grow, and create more jobs.



Republican Statement



\*Note: From national survey of 800 likely voters conducted January 20-21 & 23, 2010 by Public Opinion Strategies in conjunction with Greenberg Quinlan Rosner for National Public Radio.

This takes us to the steps Democrats can take to change this dynamic in this election year.

1. **Pass health care and explain it anew.** While the route to passing health care is difficult, passage would signal a break of the gridlock in Washington. Health care reform has become a metaphor for ineffective government and gridlocked Washington politics, while passage provides an opportunity to explain its economic benefits.
2. **Get the spotlight off of Congress.** Shift the focus away from Congress, the sausage-making of legislating and the polarization of Washington.
3. **Turn to jobs and focus relentlessly on bringing the economy and small business back.** Long-term unemployment and its effects require a Democratic president and Congress who understand this public priority.
4. **Act on reforming Wall Street.** Pass Wall Street reforms, including CEO bonuses and bank fees, to reclaim the cost of the bailout. The NPR poll shows Democrats much more in touch with the country here.
5. **Take visible action to cut spending and reduce the deficit.**



6. ***Get the economic narrative right.*** As the economy recovers painfully slowly, get the narrative right to move voters from their current protest vote to a place where voters don't want to put the recovery at risk by voting Republicans into office who want to go back to the same policies that got us into this mess.
7. ***Sharply define the Republicans and the real choice in the election.***