

Date: February 23, 2012
To: Friends of Democracy Corps and Greenberg Quinlan Rosner
From: Stanley Greenberg, James Carville, and Erica Seifert

Mixed Economic Message

Report on the state of the economy and emerging economic narratives of 2012

The President and the Democrats are indeed doing very well at the outset of 2012, and the Republicans are doing pitifully. They are not unrelated. Republicans in Congress and in the primary battles are driving independents into the Democrats' camp and consolidating and energizing parts of the progressive base. There is improved optimism about the macro economy and the President's approval rating is up to 50 percent.¹

But Democrats should keep their wits. Nearly all the gains have been produced by the Republican slide, not Democratic gains. Both parties and politicians are reviled. And most important, the voter has not seen personal economic gains and Democrats are no more trusted on handling the economy – the heart of this election. Some of the emerging Democratic messages are on target, but others miss what is really happening and pose considerable risks. The on-target messages set up an effective electoral choice around the middle class, but the off-target ones could give the Republican nominee a platform for challenging the President's economic record.

Voters are still very negative about the economy and their lives and a large majority of 56 percent want a change of economic direction.

¹ This memo is based on a national survey of 1000 likely 2012 conducted from February 11-14, 2012 by Greenberg Quinlan Rosner for Democracy Corps, unless otherwise noted, the margin of error is +/- 3.1 percentage points at 95 percent confidence. This memo is also based on dial meter tests and follow-up focus groups with 50 swing voters in Denver, Colorado conducted during the 2012 State of the Union address.

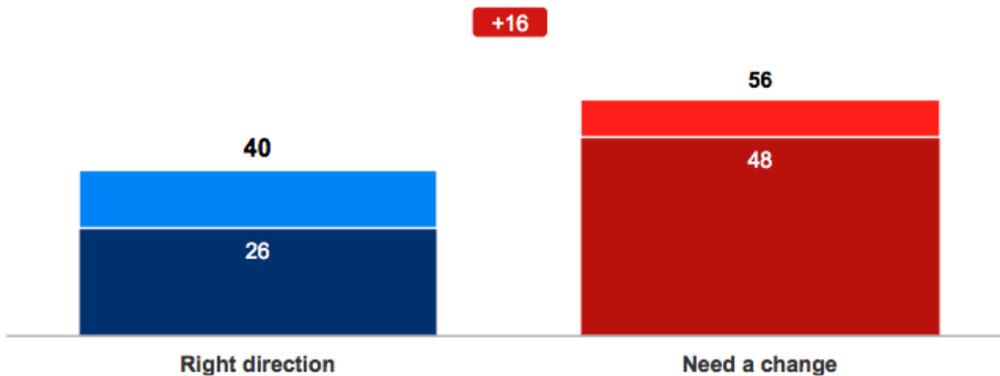


Not close to being there yet – majority believes economy not moving in the right direction and need a change

Now I'm going to read you some pairs of statements. After I read each pair, please tell me whether the FIRST statement or the SECOND statement comes closer to your own view, even if neither is exactly right.

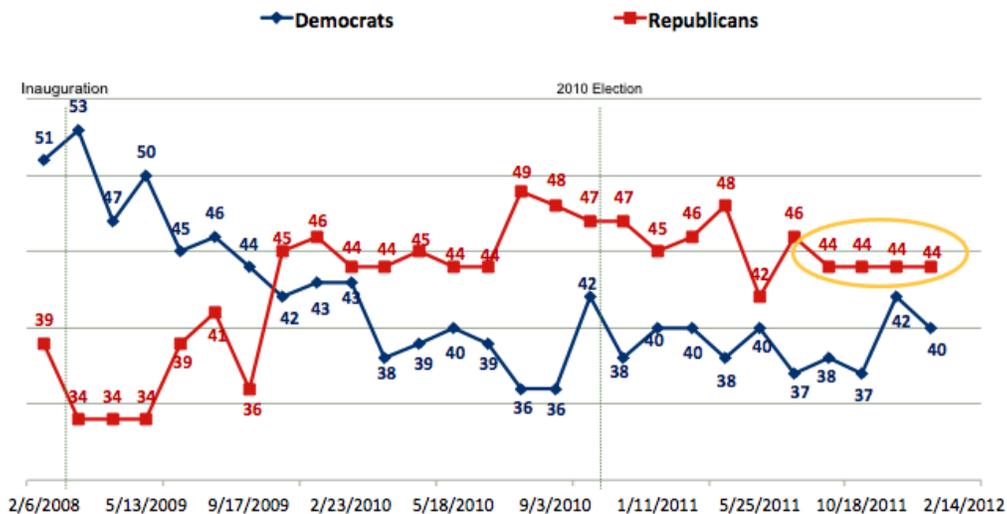
STATEMENT 1: I'm beginning to think the economy is moving in the right direction and we shouldn't be doing things that disrupt the recovery.

STATEMENT 2: The economy is not moving in the right direction and we need a change.



Republican hold lead on handling economy, while Democrats default to 40 percent

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... **the economy.**





Voters report no improvement since last June in their job situation, experience with reduced wages and benefits, and health insurance coverage. Fewer have fallen behind on their mortgages, but this is a weak recovery at the personal level.

While Republicans have collapsed on nearly everything, 44 percent continue to trust them on the economy – unchanged over four surveys back to August. Just 40 percent trust the Democrats on the economy – about the same as the party’s average for 2011. The stubbornness of the Democrats’ disadvantage on the economy should be a lesson if they are really to prevail. These are still tough economic times.

Thus, it is critical that Democrats get to the right economic narrative that allows the President and progressives to identify with what is happening in the country, create an aspiration for the country and the middle class and pose a big choice with the Republican nominee.

Based on the State of the Union dial group research and this new national survey, we have to say the jury is out on the Democrats’ current economic narratives.

While we recorded very positive reactions to the President’s address, we also raised two reservations. Some of the economic sections did not push up the participants’ dials, and the increased confidence on handling the economy was less than for prior presidential speeches.²

In the State of the Union and subsequent speeches and interviews, the President has offered a number of distinct economic narratives. Two of these center on the middle class and do well. There are still some outstanding issues and they move different target audiences, but they are stronger than the current economic messages.

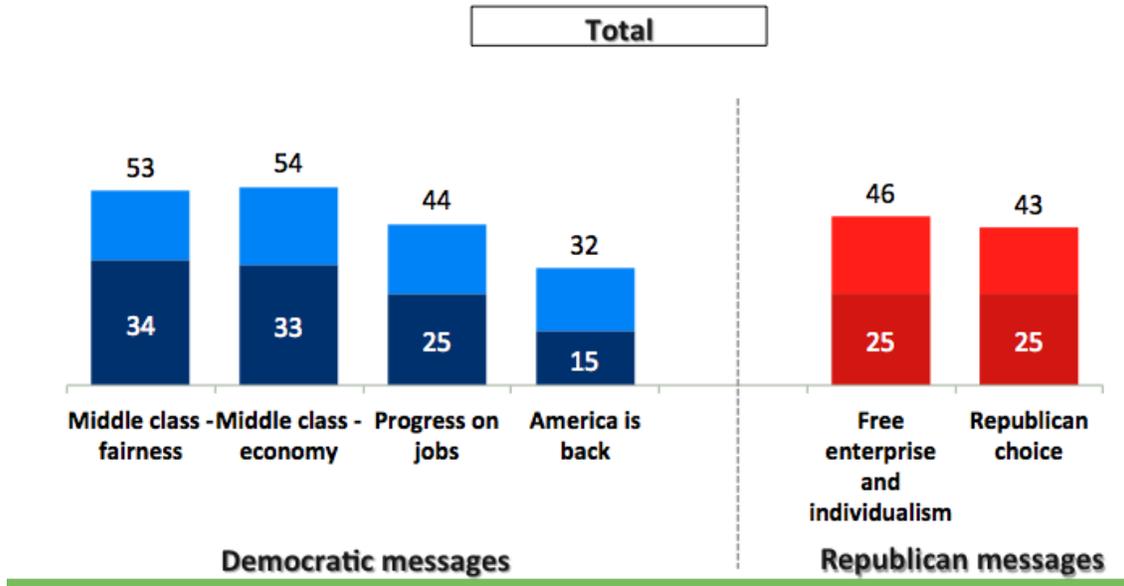
Two of the messages talk about progress: one centered on jobs and the other on the state of the country, “America is back.”

² Based on dial meter tests and follow-up focus groups with 50 swing voters in Denver, Colorado conducted during the 2012 State of the Union address. Detailed analysis can be found here: <http://www.democracycorps.com/strategy/2012/02/state-of-the-union-2012-built-to-last/>



Middle class-future-oriented messages dominate; other messages much weaker

Now, please imagine that a Barack Obama/Mitt Romney or a Democratic/Republican leader in Congress made the following statements about the economy. After hearing each statement, are you much more likely to support this Democrat/Republican, somewhat more likely, just a little more likely, no more likely or less likely to support them?



Middle Class Messages

The President makes his best case and strongest connection with voters when he advocates for an economy that structurally and actively works for a vital middle class. In this exercise, we tested two middle class frameworks; the first framed Obama’s economic program as one that would create middle class opportunity to achieve overall economic growth and the second framed Obama’s economic worldview as a “fair shot” for the middle class. The two messages produced similar overall results.

The middle class opportunity/economy message says:

This is a make-or-break moment for the middle class, and for all those who are fighting to get into the middle class. Because what’s at stake is whether this will be a country where working people can earn enough to raise a family, build a modest savings, own a home, and secure their retirement. We need to keep taxes low for the middle class, support innovation, help small businesses and really commit to education and training for people who work hard.

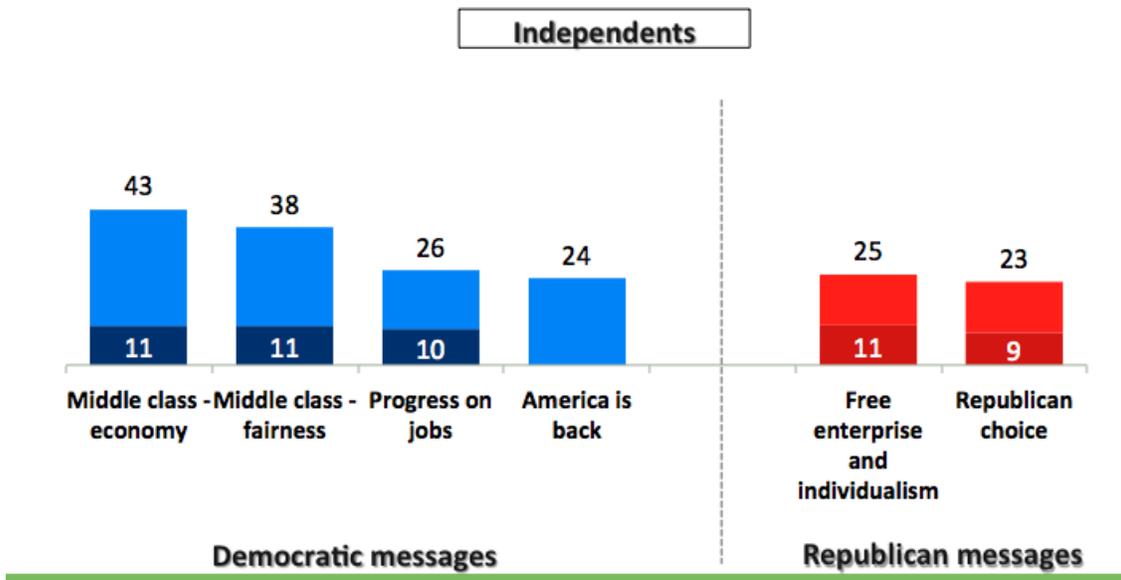
More than half of all voters said they were more likely to support President Obama after hearing this message, with a third saying they were much more likely to support him. Critically, this was the strongest message among independents, with 43 percent of independ-



ents saying this message made them more likely to support the President. Among independents, this message performed 5 points better than the second strongest Democratic message, almost 20 points higher than the weakest Democratic message. More importantly, this message was almost 20 points better than both Republican messages among independents.

Straight middle class message strongest with independents

Now, please imagine that a Barack Obama/Mitt Romney or a Democratic/Republican leader in Congress made the following statements about the economy. After hearing each statement, are you much more likely to support this Democrat/Republican, somewhat more likely, just a little more likely, no more likely or less likely to support them?



This message was strong among other swing groups as well. It was the strongest among white non-college voters (a population that has begun to move back toward supporting Democrats), white voters living in rural areas outside the deep South, in states with competitive battleground Senate elections, and in Congressional districts where Republicans picked up seats in 2010.

This was also the strongest message among Democratic base voters—voters in the Rising American Electorate (the young people, unmarried women, and minorities who helped bring Democrats to power in 2006 and 2008). It was by far the strongest message among young voters (under age 30). Overall, 62 percent of young voters said this message made them more likely to support the President and more than twice as many young people said this message made them much more likely to support President Obama than the second strongest message.



Our other middle class message, framed by fairness, also outperformed the other Democratic messages and the Republican counter-narratives on the economy. This message says:

This is a make-or-break moment for the middle class, and for all those who are fighting to get into it. We have to be a country where working people can earn enough to raise a family, build a modest savings, own a home and secure their retirement. And we succeed when everyone gets a fair shot, everyone does their fair share and everyone plays by the same rules. So asking billionaires like Warren Buffett to pay their fair share of taxes is not class warfare, it's just common sense.

This message performed best in Congressional districts won by President Obama in 2008 and by a Republican in 2010 and among white seniors, who have become more open to Democratic candidates and messages over the last year. It is likely that these voters will be a crucial swing population in November.

Progress on jobs

One of the President's weakest operative frameworks highlights recent progress on job creation. This message is potentially dangerous for Democrats. During the State of the Union, we watched the dial lines go flat, with even Democrats peaking below 70 when the President highlighted recent jobs numbers.

In post-speech focus groups, respondents explained why this part of the speech did not resonate for them: first, and most importantly, they have not seen these jobs or felt the effects of job creation. But they are also deeply concerned that these jobs are not permanent, that these new jobs belie much deeper structural problems in the economy, and that the new jobs that have been created are far inferior to the more stable, full-time, well-paying middle class jobs that have been lost over the last decade. One Democratic-leaning participant said, *"Just pouring sugar on the thing to create a few temporary jobs is going to get us no place."* Many told us that these statistics were meaningless because they are still just numbers to them. One Republican-leaning participant was incredulous: *"I don't see the kind of jobs numbers that I hear about from him."*

We tested a message that says:



In 2009, we were losing 750,000 jobs a month. Our biggest banks and auto companies were on the brink of pulling down the whole economy. But we righted the ship. We did not tip into a Great Depression. And over the last 22 months, businesses have created more than 3 million jobs, the most since 2005 and more manufacturing jobs than since the 1990s. We still have a long way to go but we have restored hope and possibility to the economy.

This message underperformed the best Democratic message by nearly 10 points and was slightly less popular (by 2 points, within the margin of error) than the best Republican message. More importantly, this message failed to capture key swing and essential base voters. Less than 30 percent of independents (26 percent) said this message would make them more likely to support the President and just 10 percent said it would make them much more likely to support him. Less than half of base voters in the Rising American Electorate said this message would make them more likely to support the President.

America is back

In the State of the Union address, President Obama began using a new framework, one that claims that “America is back” in the world. During the speech, the President’s assertion that “America is back” produced an overall flat response across the dials with independents and Republicans responding negatively.

We tested a message that says:

America is back. Anyone who tells you that America is in decline or that our influence has waned doesn’t know what they’re talking about. The United States is back to leading the world in innovation, smart manufacturing, and creating the new technologies of tomorrow. After 10 years of war and occupation, America’s reputation has been restored. We are a beacon again for democracies and aspiring democracies.

Claiming that “America is back” is by far the weakest operative message and produces disastrous results. It is weaker than even the weakest Republican message and is 10 points weaker in intensity than either Republican message. Overall, less than a third of all voters said this message makes them more likely to support the President and a third said this message made them less likely to support Barack Obama. *Alarmingly, this message barely receives majority support among self-identified Democrats—and even less support among all other groups.* Less than a quarter of independents say this message would make them more likely to support the President and *no independents* said that it would make them much more likely to support him.