DEMOCRACY CORPS GREENBERG QUINLAN ROSNER RESEARCH

Date: October 30, 2007

To: Friends of Democracy Corps and Greenberg Quinlan Rosner

From: Stan Greenberg and Al Quinlan

James Carville

RE: FINDING THEIR VOICE AS THE AGENTS OF CHANGE The state of the country and the Democrats on year before 2008 election

If Americans have ever been angrier with the state of the country, we have not witnessed it; certainly not in 1992 when discontented voters brought the Republican Party down to an historic low, giving one in five of their votes to an unstable 3rd party candidate and putting Bill Clinton in the White House. The scale of today's discontent is evident in the 70 percent who now say the country is off on the wrong track and in George Bush's job approval and personal ratings, now at their lowest levels ever.

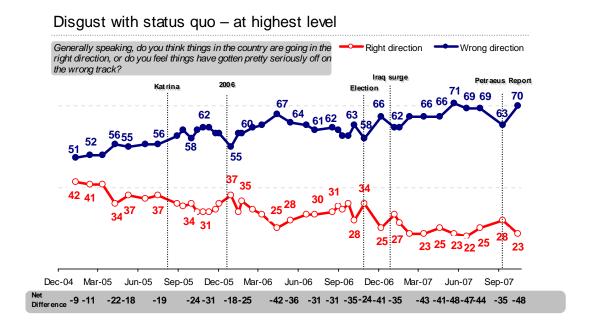
But that number is a superficial read of the contempt and deep frustration with the leaders of the country and our times; a period that leaves America trapped in an unnecessary war, while neglecting to take care of things at home and protect its own borders and jobs and living standards; a period that leaves the average middle class person struggling with rising costs, medical and gas bills, while politicians and big business special interests take care of themselves, not the country. They believe America is losing ground to countries around the world that are rushing to catch up, while our leaders are rudderless. The biggest challenge and opportunity one year out from the 2008 election is whether the Democrats will become the voice of that change.

These observations are based on a new national survey by Democracy Corps and Greenberg Quinlan Rosner, focus groups with swing voters in Las Vegas and Minneapolis and a review of focus groups conducted by our company in all regions of the country over the past few months. For this analysis, we reviewed transcripts to fully identify the emerging patterns and also observed groups to better appreciate how people were experiencing and responding to these times.¹

The least surprising thing about this current research is the deepening advantage of Democrats at every level, though we do not wish to dwell on these patterns in this memo. The Democrats enjoy a stable 13-point lead in which party voters say they will support for president (53 to 40 percent) and a stable 10-point lead in the named-ballot for Congress (51 to 41 percent)

¹ Based on focus groups conducted in Minneapolis and Las Vegas of weak partisan and independent voters. Survey results based on Democracy Corps poll of 1,000 likely voters nationwide conducted October 21-23, 2007.

– both essentially unchanged all of this year. The Democrats' structural advantage is now increasingly revealing itself in the real life campaigns: at the presidential level, Hillary Clinton now has a 4-point lead over Rudy Giuliani and a 7-point lead over Fred Thompson, now reaching 50 percent of the vote; at the congressional level, the freshmen Democrats have consolidated their positions (ahead 55 to 37 percent), while Republicans in battleground seats are trailing.²



While voters give the Democratic Congress lukewarm ratings (38 percent warm and 42 percent cool), that misses the bigger picture, which we will discuss in a separate memo. Day in and day out, Republicans are making their situation worse: visibly aligning with the president on Iraq and the economy; supporting Bush's domestic priorities, including health insurance for children; their silence on top tier issues, like energy independence and health insurance, and the Republican presidential candidates pursuit of their most conservative base voters. While the Democratic primary is leading an increasing number of voters to support a Democrat for

² Based on results from Democracy Corps poll of 1,600 likely voters in 35 competitive Democratic districts and 35 competitive Republican districts conducted July 25-31, 2007.

president, the Republicans are driving voters away.³ The country is looking at the mess in Washington and giving rock-bottom ratings to 'the Republicans in Congress,' experienced concretely, not by Democrats, but by Republican incumbents whose personal standing with voters is falling sharply.⁴

The voters are now very conscious that they and the country are about to turn these people out: "with the election coming in 2008, I'm sure that a lot of things will come to a head then"; "I don't think another Republican has a chance to get into office"; and "I'm just waiting for the next election and hoping that regime change causes something to happen." 5

For all that, *Democrats have yet not found their voice as agents of change, except perhaps on Iraq, and risk falling short of their greatest aspirations*. The presidential candidates have released important policies and all the leaders have opposed Bush on Iraq; in Congress, they have passed and battled for some reforms, but Democrats are being pushed ahead by the voters, not the reverse. Four months before the 2006 election, we wrote that voters in the country were more devoted to change than the Democrats in Washington, though by Election Day, they caught up with the public and produced a big election. That gap is much greater today, with important implications for the character and scale of any Democratic win.

Democratic candidates for president and Congress are polling at 51 to 53 percent in the various races, but *if 2008 is to bring a tidal wave, Democrats and progressives must become more fully the voice of what is wrong with these times. It is not enough to be anti-Iraq and anti-Bush.* The conservative attack machine will soon launch nuclear war against the Democrats' nominee when he or she emerges, and a lot of the discontent in the country could fragment and push voters to third-parties and some even back to the Republicans, particularly if progressives fail to tackle key grievances, like immigration and taxes. Seats and states that Democrats now covet could be lost without a clearer articulation of the Democrats' critique of the times and their willingness to be agents of change.

³ In the national survey, 39 percent are more supportive and 53 percent less after watching and reading about the Republican candidates in the last few months.

⁴ That is why low ratings for Congress overall and 'what is happening in Washington' and 'Congress' seems only to re-enforce the Democrats' advantage at the polls and the desire for change (based on a poll for NPR conducted by Public Opinion Strategies in conjunction with Greenberg Quinlan Rosner Research of 800 likely voters nationwide October 4, 6-7, 2007).

⁵ Based on focus groups conducted in Nevada, Minnesota, Pennsylvania, New York, Illinois, Florida, Ohio, Arizona and Colorado.

What's Wrong with Our Times?

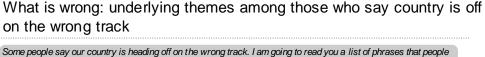
When you ask people at the outset of a focus group about the 'fifties,' 'sixties' and even the 'nineties,' they talk about diverse things, more positive than negative – from TV shows and cars to high tech entrepreneurs and presidents. Ask about 'our times' without any mention of politics by contrast, they become wrought, angry and frustrated, peppered by a few expletives about George Bush, with many former Bush voters piling on. They dwell on the behavior, values and decisions of the powerful who take care of themselves and disregard the middle class and problems at home and the public interest. They describe a lack of accountability at all levels of government in how money is spent, how politicians live by their own rules, and how Washington caters to special interests at the expense of the rest of America. They shake their head thinking that any normal person with common sense would make different choices.

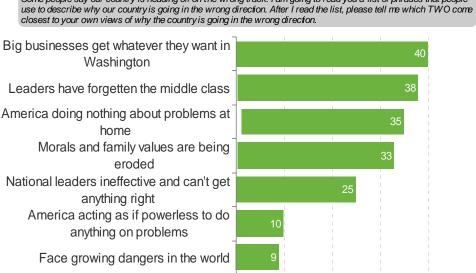
They are looking for leaders in business and government who will understand what is happening with the middle class and act in the interest of their companies and the country, though skeptical it will happen and feel they must take things in their own hands. There is a fundamental breakdown in trust that takes this beyond any specific issue: they lack confidence leaders will do anything right and hold the right priorities.

When you ask in a national survey the 70 percent who say the country is off on the 'wrong track' what underlying developments they are thinking about, they point to three interrelated themes, fully consistent with the more emotional response of the groups: big business getting whatever they want in Washington, leaders forgetting the middle class and America doing nothing about problems at home.

⁶ Based on focus groups conducted by and for Democracy Corps of swing voters. Each group was comprised of independents and weak partisans and an equal number of voters who supported George Bush and John Kerry in the 2004 election.

⁷ Based on Democracy Corps poll of 1,014 likely voters nationwide conducted February 14-19, 2007.





Republican voters are in their own world, focused almost exclusively on the decline of morals and family values, though independents too mention this frequently and in the groups, what is happening with children and celebrity culture is very much top of mind. But for the 70 percent of voters who want change and the big swath of Democrats and independents, the times are shaped by these three inter-related themes – leaders forgetting the middle class, business and special interests ruling Washington and both failing to address the country's problems.

In the groups, Iraq is topic number one because they know people who are serving multiple tours, some dying, and they are angry, believing Bush has not really respected or cared for the soldiers. A lot of these folks just want out: "we are wasting our time"; "we don't have any business being there." In every group, they talk of the futility of seeking peace with groups "who are going to be killing each other for thousands of years." "We've proved our point, now bring our men back."

But for all that, they are very conflicted about withdrawing, fearing the consequences there and wanting to honor the soldiers who have fallen – though a large majority of around 55 percent still want to reduce the number of American troops. In the survey, more worry that Republicans will take too long to get out than that Democrats will move too quickly and more trust the Democrats to handle the Iraq issue. But the Democrats' advantage on each (6 and 8

points respectively) is not as large as the Democrats advantage in the presidential and congressional elections. The ambivalence is real, though we still believe voters want to punish Bush and Republicans for what they have done.

Iraq is discussed on its own as a unique and tragic problem, but it becomes part of the general critique when linked to the vast national resources being committed to a religious civil war when leaders show so little interest in addressing America's needs. For some, this has a strong 'America first' theme: "We should take care of ourselves first is what I think" – greeted with a round of "I agree." "We need to help our people first." But for many, this is more matter-of-factly a question of priorities: "I think our priorities have gotten skewed primarily over the last seven or so years."

When we asked about the issues that have taken America off track, we can see the scope of the grievances that drive the change and that will require Democrats to grapple more fully with the discontent in the country. *For Democratic voters*, being bogged down and spending billions in Iraq is the top issue (38 percent), followed closely by leaders having done nothing about health care (34 percent) and the loss of American jobs to China and India (29 percent). Addressing Iraq is integral to engaging and consolidating the Democrats' broad base and to avoiding fragmentation on the issue of Iraq and the unaddressed problems of health care and the future of the American economy.

For independents, the top issue underlying the discontent is 'our borders' having been 'left unprotected and illegal immigration' growing – cited by 40 percent, with no other issue a close second. The second most mentioned issue is 'America doing nothing about our dependence on foreign oil and about global warming' (31 percent). Both are fundamental issues that our leaders would be addressing if they were thinking about the country, not themselves, and acting for America and the middle class.

What's wrong: underlying issues — Democrats and independents Some people say our country is heading off on the wrong track. I am going to read you a list of phrases that people use to describe why our country is going in the wrong direction. After I read the list, please tell me which TWO come closest to your own views of why the country is going in the wrong direction. Bogged down and spending billions in Iraq Leaders have done nothing about health care Losing jobs to China and India Doing nothing about dependence on oil/global warming Government is running record budget defecits Borders left unprotected

The Debate Over the Economy

Government failed on Katrina

In the focus groups, we handed people a page of positive facts about the economy – and we nearly had to rescue the moderator from the disbelieving and angry participants. In fact, before this exercise, we asked people to write down two important things happening with the economy and none of the 40 participants said anything positive, with their negative notations centered on the high "cost of living." It is hard to underestimate the power of a Democratic message that simply recognizes the economic realities that are very real for these voters. Indeed, the very invisibility of their issues is for them evidence that this economy works for the big economic actors, not for average Americans: "this applies to a bigger business and the wealthy"; "it's about big business, not the little guy"; "CEOs at the top of corporations worrying more about themselves instead of their companies"; "yes, thank you"; "It is not for the average family"; "this is probably true but not for us."

In the national survey, we presented the facts – the actual quotes from the Republican presidential candidates on the strength of the American economy put against Democratic statements – stressing lack of income growth, loss of jobs to China and India and rising health care and energy costs. By two-to-one, voters embraced the Democrats' view of the economy – half the electorate, intensely.

Presidential candidates and the state of the economy

The Republican candidate says:

- We're enjoying more than five years of successive economic grow th thanks to tax cuts that strengthened our economy. There is no reason to believe that we're headed for a recession.
- This is the strongest economy on Earth. This country is the leader in the world and that is why China and India are trying to be like us. We have a lot to sell to them if we put on our entrepreneurial hats.
- We're enjoying low inflation, low unemployment and the stock market is doing well. If you look at the short term and 10-year projection for our economy, it's rosy.

The Democratic candidate says:

- Top incomes have skyrocketed while most Americans have seen no increase in their incomes for the past five years.
- Three million manufacturing jobs have already been lost, but outsourcing to China and India threatens to take even more.
- While pensions and health insurance are less secure, most A mericans have seen their costs double and gasoline prices triple. We need an economy that works for everyone and makes A merica stronger.

Addressing the character of the economy puts Democrats at the center of the grievances that animate the desire for change. They can be the voice of an economy that works for the middle class, not just the wealthy and big business.

These swing voters – about half non-college and half college graduates – nearly attacked the moderator because many are on the edge: "Over half of Americans are what? Two paydays away from living on the street"; "absolutely"; "that's me." Nobody except the super-rich has seen salary increases in years; not if you are in a "straight regular job"; "people don't make any raises," and if you are lucky, your spouse gets 2 percent in some years. Some are working 2nd and 3rd jobs because they "can't make ends meet"; "I've never known so many people to have two jobs or more than I have lately." Still, "they are cutting back on everything." They are struggling to fill up the gas tank twice a week; and they fear a visit to the hospital will wipe them out. They are watching their own companies, even the large ones, reduce and freeze hiring.

They talk about *Wal-Mart* almost wistfully – not with resentment or anger – as a place where a lot of people losing out on good jobs "have to put food on the table. They have to pay the electric bill." And one woman interrupted the moderator trying to move on, "I hope I don't get to the point where I'm that desperate where I have to go work at Wal-Mart."

This might be a little easier, if the country's leaders did something about health care, the oil situation, the outsourcing of jobs and the flood of illegal immigrants who burden the schools, hospitals and social services. They speak of the "greed" of top corporate executives who too readily sacrifice their American employees; the self-seeking of political leaders who quickly sell out to big money and big special interests – in either case, not acting for the average person or the country's welfare.

In many of the areas that form the economy for average Americans, the Democrats have offered substantial ideas, though not necessarily framed by this underlying critique and narrative. And there are others – like China, taxes and illegal immigration – where Democrats need to explore new approaches, as they did on like issues in the lead up to 1992, as they raise important challenges about the progressive project. Those considerations set up a strong potential economic agenda for 2008.

- *Health care:* The worry about the economy and the cost of living takes voters right to health care as their highest priority. "Health care is a huge issue right now"; "it's almost out of reach for most people." Unless you work for a larger corporation, "it's horrible, ... point blank horrible." People rush in with anecdotes and facts and figures from their own lives. "I think it's embarrassing that we can't go to the hospital without totally devastating our lives. One trip to the hospital and we are done." They reach for adjectives to describe the scale of the problem: "an absolute disgrace," "the medical is outrageous," "deplorable."
- *Tax cuts*: People are very conscious of their paltry pay increases and rising costs for health care and gas, seamlessly note that taxes add to the pressure, as frequently mentioning local property taxes as income tax. They are skeptical about Republican tax cuts that they believe must have gone to those at the top, but certainly not them. But they are looking for financial relief, particularly for the middle class. Do not forget how central Bill Clinton's "middle class tax cuts" were to his 1992 campaign, "the economy stupid," and his targeted and affordable middle class tax cuts each year in office.
- *American jobs:* They think American jobs are being lost to operations overseas, replaced by lower-paid service jobs a process facilitated by executives not very loyal to their employees and by politicians who push trade and globalization without consequences. "Outsourcing" is a top of mind threat our jobs are "vulnerable to outsourcing" and people rush to offer examples of outsourcing taking out highly trained people who you would thought would be unaffected. "Oh, I hate that." They talk about

the call centers and "what are they paying those guys? A 125 bucks a month. That's probably a lot to them." They do not understand why leaders of our country do not recognize the problem and act to change it.

- China: China has emerged as a powerful symbol of the underlying problem. Of course, the biggest worry is the unsafe toys with lead paint and the pet food all mentioned with great frequency. Indeed, in the survey, a majority focused on the lax regulations and low standards as their biggest worry about China. But contained in that worry is the fact that "nothing is made in America" and maddeningly, our leaders facilitate it: "China, China. If America can find a way to do it cheaper and not here, they will do it every time." Everything is made in China. That the products and the seafood are not being inspected means "lobbyists have control." One woman in Vegas concluded for the leaders, "They need to think of a new plan because the China thing is not working."
- Oil, energy independence and global warming: \$80 to fill a tank. "It's crazy! ... I can't believe it." "It's really a burden." "Your disposable income is just going to keep shrinking and shrinking and everybody is using plastic..." This is real money and they see it when they fill up twice a week. Gas prices are particularly important to their new and intense interest in energy because they think they are on the losing end of an elite bargain. "Why isn't our government stepping in and doing something about it," one participant asked of the others. They are ready with answers: "the government is oil based"; "there's an awful lot of lobbyists." They think our country's leaders have been slow to address global warming and energy independence again, just common sense, if you are acting for America and the public good.

Looking across all the areas, one woman in Pennsylvania used one word, *greed*, to sum it all up:

I think one of the things you see too is just greed on the higher echelon of people – the people who are rich are getting richer and the people who are middle class and lower class are really hurting. There is a huge amount of greed with the government people and with CEOs. ... There just seems to be so much greed that it really has a negative effect on the entire country.

Immigration and Welfare Reform

Critical to the success of the 'New Democrats' in 1992 was Bill Clinton's pledge in his presidential announcement a year earlier to "end welfare as we know it." It featured centrally in his campaign, second only to Clinton's plan to create 8 million jobs in his advertising and after the election, I wrote, it is "the closest thing to a read-my-lips pledge." At the heart of this reform was a commitment to *work values and responsibility*, supported by a determination to make work pay (raised minimum wage, earned income tax credit for low-income workers and health insurance) and to make work possible (job training, day care and fuller employment). The policy was not just a grudging compromise but a progressive policy – supported by both blacks and whites – that made it possible to unite and expand a progressive Democratic coalition around our core values.

The centrality of illegal immigration to the current discontent about the direction of the country may be taking us back again to a welfare moment. Just as many workers with moderate incomes, uncertain employment and health insurance could not understand why they were being taxed to subsidize the long-term idleness of those on welfare, many Americans are just perplexed that this country has lost control of the borders and winks at illegal employment, taxing the resources of local schools and hospitals and much more. Many of the voter responses to welfare were racist to be sure, as now with the response to illegal immigration, but many are not.

How can George Bush, they ask have us on a "terror alert," and yet he is "not really interested in doing anything about a barrier between Mexico and the United States"? "Isn't it amazing." "We're under a big threat, but he won't do anything about the borders." Voters think this is just a first responsibility of leaders who are supposed to be protecting the country. Based on their votes on 'homeland security,' ports and the 9-11 Commission, Democrats agree with that first principle.

How can we be paying out government benefits and all this money when we are so financially strapped? Here, responses range from just sheer amount of money the country is paying for their support – "it taxes everything ... twenty fold" – to the improbable belief that many are on welfare or food stamps and induced to say here. Some of these impressions conflict with the facts, but many speak concretely about hospitals that can't deny health care and schools that must cope with the children and special language needs. For others it is more basic: "I'm self-employed "and couldn't afford health insurance for a year. "We can't afford to do anything because we're paying for health insurance. They just go in and get it free." The discussion of benefits leads to some pretty ugly responses, "Send the people back that don't have [papers]. Our country has been too kind. I'm sorry."

And with all the problems with jobs and the economy, how can you give over sectors of the American economy? Some do say that "tons of illegal immigrants in this country" are "doing a lot of jobs that nobody else wants to do." But that is almost always contested in the

groups: "I got boys that can't find jobs, and I know high school kids that can't find jobs because" the immigrants are willing to work many more hours for less. "Where is our jobs program for kids in [town] to dig those things out?" They think, not implausibly in some cases, "Let's get control of what's coming in and then there are jobs for our people." With underlying worries about being forced to work at Wal-Mart, they think the illegal immigrants who work hard and for less "are driving the service industry out of our country."

The voters most angry about the issue are those with a high school education, African Americans and those in rural areas, both black and white.⁸ This is also the top frustration for voters who want to vote Democratic for president but hold back from supporting our leading candidates. For all these target groups, their second frustration is 'losing American jobs to China and India' – part of a more general and poignant critique, why are our country's business and political leaders not standing up for American workers and employees and more broadly, America.

Voters want control of the borders and workplace and recreating an immigration system that works and oppose driver's licenses for illegal immigrants – positions supported by about two-thirds of the country. For them, that is the starting point, the common sense of the issue. If political leaders do not start there, they are not likely to be heard on other steps. But it is possible to build on those points to a progressive direction and comprehensive reform because people hold other views related to the issue.

- Many people talk about the impracticality of expelling the current 'illegals' and indeed, their importance to the economy: "The thing is that you can't necessarily ship all of them out of here."
- Despite comments about welfare and benefits, most talk about the immigrants as workers, indeed, hard workers with good values. They talk about business owners who describe them as "the hardest workers that my brothers have hired." One woman in Colorado observed, "I had that honor, and I will actually say, it's an honor because these people outworked every American citizen at this sweatshop that I worked at, except me."

⁸ Those with a high school educate name this 36%, African Americans name this 37% and those living in rural areas name this 41% for both white people in rural areas as well as all people in rural areas.

⁹ NBC News/Wall Street Journal Poll conducted June 8-11, 2007 of 1,008 adults nationwide. [74% support fines on businesses and 65% support greater border control]. CNN/Opinion Research Corporation Poll conducted October 12-14, 2007 of 1,212 adults nationwide. [76% oppose giving driver's licenses to illegal immigrants].

- Some recognize that you have to help the children: "The children shouldn't have to suffer."
- People are looking for a system not that excludes immigrants but regularizes the system to put people on a lawful basis. Instead of wasting money building a fence "It's just stupid. If we had a reasonable immigration policy we wouldn't have the illegal immigration problem." Others recognize the economy needs them but "we need some system in place" to make sure we are dealing with lawful people, not terrorists. While opposed to the impact on the service industry, one woman acknowledges: "People that come to this country have the right to come for a better life." A majority of the country unlike many in the world believe legal immigration is positive for the country.

When we tested a comprehensive proposal in a bi-partisan poll for NPR, we got (44) percent support for a plan to increase enforcement on the borders and work place and deny most government benefits but recognizing we cannot expel 12 million, creates a path for citizenship for the law abiding – a big change in status with opportunities for fuller integration into America. That is likely a presidential issue that could gain further support with public debate. When we tested a plan earlier without the reassurance on benefits, the plan got only 39 percent, suggesting how challenging this issue will be for ordinary candidates without the full platform available at a presidential level. Even with the reassurance on control and benefits, 40 percent of Democrats and a majority of African Americans favored the tougher Republican alternative that provided no path to legalization. This is a real wedge issue that Democrats need to get right.

But Democrats can get this right – genuinely attacking Bush for losing control of immigration, specifically, failing to manage the borders and no longer enforcing laws at the workplace. Democrats favor greater control and enforcement at the borders and restored penalties on employers for employing illegal workers. They would deny most government benefits, which is current law in almost all cases. Recognizing we can't expel 12 million workers, Democrats accept some kind of legal status for the those who are working, pay taxes and are law-abiding – putting our values at the heart of the reforms that will further open up our society.

¹⁰ Based on a poll for NPR conducted by Public Opinion Strategies in conjunction with Greenberg Quinlan Rosner Research of 800 likely voters nationwide October 4, 6-7, 2007.

¹¹ Based on a poll for NPR conducted by Greenberg Quinlan Rosner Research in conjunction with Public Opinion Strategies of 1,000 likely voters nationwide April 26-29, 2007.

* * * * *

Voters are determined to vote for change and they want leaders who will work for the middle class, putting the interests of the public and country first, after the Bush years when leaders did not see the average person, when greed of executives and the self-interest of politicians determined our unfortunate course. That is the framework for Democrats to articulate their critique and progressive vision. The country wants to vote for change.