



# RESURGENT REPUBLIC

## MEMORANDUM

**TO:** Interested Parties

**FROM:** Ed Gillespie, Whit Ayres and Leslie Sanchez

**DATE:** June 29, 2010

**RE:** Independents and Tea Party Voters Express Similar Concerns over Federal Spending and Debt

During June, Resurgent Republic sponsored a series of focus groups in five states to assess voter sentiments about the direction of the country. We probed voter opinion on President Obama's job performance, Federal spending and debt, and one-party control of government. We also sought to understand more about the growth disparity between the public and private sectors identified in earlier quantitative survey research.

The groups were comprised of registered or self-identified Independents (in states without partisan registration) who are undecided on the congressional generic ballot. One focus group pair was held with politically-Independent small business owners, and two focus group pairs were conducted with voters who identify themselves as part of the Tea Party movement. The groups were held in battleground congressional districts in Iowa, Ohio, New Jersey, Arkansas and Florida.

### *Summary*

Nearly four months out from the mid-term elections these voters remain anxious about the direction of the country. The oil spill in the Gulf of Mexico has contributed significantly to their negative outlook and raised questions about President Obama's ability to lead during a future crisis. Independents and Tea Party voters alike share similar concerns over "reckless" and "out-of-control" Federal spending and debt and believe the economic stimulus package and the new health care reform law will add to the deficit.

As a result, they generally favor a greater check and balance on the Democratic agenda (even those who disapprove of Republicans). The growth disparity between the public and private sectors reinforces their opinion that the Federal Government has the wrong priorities and is not focused on creating lasting private sector growth. Similar to our focus group findings last August, these Independents remain apprehensive of the Federal Government playing an ever-expanding role in our economy.

## *Direction of the Country*

These voters revealed high anxiety over the direction of the country and used mostly negative terms to describe a sluggish economy, lack of job creation and growing concern over the level of government spending. In describing the direction of the country, Independents used words like “turmoil,” “rudderless,” “confusion” and “frustration,” similar to concerns expressed by Tea Partiers.

Despite overall disapproval, Independents returned to a somewhat optimistic belief that the direction of the country will soon get better. Those identifying with the Tea Party movement, however, were universally negative and several felt we have not yet “hit rock bottom,” due to what they described as a void of leadership in Washington and an unwillingness among those in power to stop Federal spending and reduce the national debt.

Small business owners added that the Federal government’s increasing level of activity has often been counterproductive and created “uncertainty in the marketplace.” As a result, several of these voters expressed frustration that a positive change in the direction of the country will be slow to develop.

## *Oil Spill in the Gulf of Mexico*

In addition to the economy, the oil spill in the Gulf of Mexico and specifically the response from British Petroleum and the Obama Administration contributed significantly to the negative outlook. When asked to describe the overall response to the oil spill, they described their feelings about both camps with words like “frustration,” “upsetting,” “confusion,” “incompetence,” and “anger.”

Some thought BP had purposefully cut corners, compromised safety and were not being truthful. Others thought the oil company was doing everything it could, but was overwhelmed by the magnitude of the problem. Nearly all these voters felt the Federal Government has been slow to respond and could be utilizing more resources to solve the problem. Among Independents, this invited comparisons to the Federal Government’s response to Hurricane Katrina.

Understandably, voters in Arkansas and Florida were more vocal about the oil spill and spoke clearly about how it would affect their local economies and tourism. Their responses were similar to the other groups in grasping for answers to the problem, but they evidenced real fear about the long-term consequences.

Despite this reaction, voters were split about what role offshore drilling should play in the nation’s long-term energy strategy. Some voters approved of a moratorium on offshore drilling in deep water and even questioned whether drilling in shallow water or on land should continue, believing the economic and environmental damage from an accident is too great. Others were willing to impose new safety regulations on offshore drilling in order to keep and create “good paying jobs” and prevent a future accident. These voters also believed that the nation’s dependence on foreign oil would only worsen if we abandoned drilling as part of the nation’s energy strategy.

Many Tea Party voters view Federal regulations as a contributing factor in the spill, saying an abundance of red tape forces companies to drill many miles off the coastline and in deeper waters, compounding the risk and severity of an accident.

### ***Perceptions of President Obama***

President Obama received low marks for his response to the oil spill from nearly all these voters. He is perceived as moving too slow and not recognizing the severity of the problem.

Perhaps more damaging politically, Independents said the manner in which President Obama has handled the oil spill makes them more apprehensive or even nervous should a terrorist attack or a major foreign policy crisis occur.

Other Independents held out hope that the Administration will learn from its mistakes and do better in a future crisis, **but the reality that the oil spill has caused some Independents to question President Obama's experience and ability to lead – a critique isolated to Republican circles thus far – should be troubling for Democrats.**

Beyond the oil spill response, Independents in these groups were much more inclined to voice concern about or disapproval of President Obama's job performance than Independent voters who participated in our focus group series in August. We noted then, "these Independent Obama voters demonstrated great patience with the President, and give him credit for trying to improve the bad economy." Less than a year later, there was palpable frustration among voters in the June 2010 groups that the President has failed to meet their original expectations.

One Independent male in New Jersey, who voted for Obama and supports the stimulus and health care reform, could not bring himself to say he approves of the President's job performance: "I'm shocked that I'm uncertain. I believed there would have been significant change [by now]."

For the Independents we talked with in Florida, the health care debate was another turning point. As a result of what they described as "backroom deals" – citing the "Cornhusker kickback" among others – they somewhat soured on their initial perception of Obama and seemed more likely to view him as "another politician."

Still, even though these Independents said Obama has not met their expectations to date, they continue generally to hold a favorable view of him and believe he can make the necessary changes to get back on track. While the Independents still hold out such hope, the Tea Party voters were entrenched in their belief that President Obama is all style and no substance.

In Iowa, we asked Tea Party voters, "If President Obama was a car, what type of car would he be?" The answers were often creative and quite detailed. One man compared him to an Edsel, "something that had a lot of hype, but failed to live up to expectations." Another older man described him as a wrecked Ferrari, "something that looked great to many people, but was now ruined."

## ***Reckless Government Spending***

Most of these Independents and all the Tea Party members viewed the current level of Federal spending as “reckless” and “out-of-control.” They also viewed the amount of spending as “unnecessary” and “unhelpful” to the country right now.

Independent voters’ assessment of the \$787 billion economic stimulus package has shifted little since our focus group series last August, showing that the White House’s persistent rhetoric that the stimulus has been a net-benefit for the economy has failed to persuade these swing voters.

When pressed to describe positive benefits from the stimulus, these voters focused mostly on construction projects and aid to state governments to alleviate budget shortfalls. As one small business owner in Ohio pointed out, the stimulus created “jobs but not employment” – a lot of temporary government work.

Although they could not explain how the stimulus has benefited them personally, some Independents maintained a lukewarm response to the stimulus package (especially the voters in New Jersey), but doubted whether it would have a lasting positive impact. Even those who did not have a visceral anti-stimulus feeling did not seem to view the stimulus bill as much of an accomplishment.

Again, similar to our findings last August, Independents do not differentiate the economic stimulus package from the broader list of government activity, including the Troubled Asset Relief Program, auto bailouts, cash-for-clunkers and the housing credit. They view each example of the Federal Government’s increased spending and intervention into the economy in a singular context.

The small business owners did not believe the stimulus package improved their bottom line or made it any easier to obtain credit. They voiced concern about the high level of “uncertainty in the marketplace,” stemming from health care changes and potential tax increases, which has caused them to be extremely cautious about taking any risks. In New Jersey, several of the small business owners felt that they were being “suffocated” by the Federal Government and being given no incentive to grow or to create jobs.

Setting aside their opinions on how the new health care law will impact their quality of care, Independents and Tea Party members alike believe the new health care law will add to the deficit. While the specific details of the new law might not be clear, there is an understanding that President Obama and Congress created another entitlement program when, in the words of one Florida Independent, “we can’t manage the ones we already have.”

## ***Personalizing the Debt***

These voters had a difficult time describing how the skyrocketing debt will affect them personally, but that does not mean the issue is of little importance to them. Out-of-control spending and debt stirs anxiety among Independents and is a defining issue for Tea Party voters. Nearly all the participants believe the growing level of debt is “unsustainable” and see it as a direct threat to future generations and America’s standing in the world.

The closest participants came to tying the debt to their own lives was the sentiment that, if I have to operate within a set budget in my life, why doesn't the government have to do the same thing? The idea of the government playing by a different set of rules strikes voters as being unfair, especially when during this recession they've personally had to cut back on spending or have "to play defense," as a New Jersey small business owner lamented.

Both Independents and Tea Partiers voiced concerns about the United States going "bankrupt" and described China's holding so much of our nation's debt as "scary" and "embarrassing." Both types of voters also found it plausible that we could face a financial crisis like that in Greece, although Independents were more likely to believe that it would not be in China's interest to call in the debt it holds.

**These voters believed nearly unanimously that the primary cause for the record debt is reckless government spending, not lack of tax revenue.** So it is not surprising that most of them opposed adopting a value-added-tax (VAT) to help solve deficits, even if they didn't fully understand exactly how a VAT would work. For the most part, they believe additional tax revenue would go to new spending, not deficit reduction.

Many of these voters were not familiar with a VAT, and there was some confusion between a VAT, Fair Tax and Flat Tax. VAT tax opponents should make a concerted effort to explain to voters how such a tax would affect them. It was clear that once explained, voters understood that a VAT would increase the cost of nearly all goods and perceived it as a hidden tax. They furthermore questioned whether it has helped or hurt economic growth in Europe.

### ***One-Party Control of Government***

Most of these voters believe that too much power is centralized in one political party today. One small business owner noted there's "no one to protect the chicken house." They believe one-party control of government has contributed to out-of-control government spending and the mortgaging of future generations. In this context, most of these Independent voters believe there needs to be a greater check and balance on the Democratic agenda (even those who disapprove of Republicans).

The argument loses some persuasion among those Independents and Tea Party voters who have an equal dislike for both political parties. Some of these Independents believe divided government would only lead to more bickering, although others thought it could be the catalyst for honest negotiations between both political spectrums. When probed, several voters stated that the economic stimulus and health care reform bill would have cost the nation less if Republicans held control of one chamber of Congress, although they believed both would still have passed.

### ***Tax Policy***

Voters were told information regarding the increasing number of earners who pay no federal income taxes or receive a refund, and told that today 47% of earners account for 0% of Federal income tax liability while 53% of earners pay 100% of Federal income taxes. Similar to our findings last August, a few respondents did not express concern with the increasing progressivity of the tax code, but other voters question whether the tax structure is fair and the potential impact

on Federal spending if we reach a point where half or a majority of wage earners have no Federal income tax liability.

### ***Growth Disparity between Public and Private Sectors***

The growth in government jobs juxtaposed with the hemorrhaging of private sector jobs was seen as extremely problematic (since the recession, the Federal government has added over 650,000 jobs while the private sector has lost nearly 8 million jobs). The disparity reinforced the idea that the Federal Government has the wrong priorities and is not focused on creating lasting jobs in the private sector, a common theme during the economic stimulus discussion.

As one Florida Independent noted, “You need one [private sector jobs] to have the other [public sector jobs].” Further complicating matters, several small business owners expressed frustration that they couldn’t compete with the greater pay and benefits offered by the Federal Government, limiting their ability to find the best possible employees.

The debate over government pay and benefits was passionate in New Jersey due to the state’s budget crisis. These New Jersey voters were split on approval of Governor Christie, but even many of those who didn’t approve of his policies said they respected him for “making tough decisions” and understood that state government “is out of money.” Conversely, the teachers’ unions were viewed with disdain and seen as unwilling to help solve the problem, while teachers themselves had a favorable image. Many of the participants said they personally knew teachers who would be willing to pay part of their health insurance premium as Governor Christie is seeking, but “the union won’t let them.” Some voters thought Washington could learn from the debate taking place in Trenton right now.

### ***Conclusion***

Nearly four months away from the mid-term elections these voters remain extremely worried about the overall direction of the country, and their anxiety has intensified due to the oil spill in the Gulf of Mexico. They feel the oil spill response by British Petroleum and the Obama Administration has been slow, lacking and even incompetent.

**The oil spill has caused some Independents to question President Obama’s experience and ability to lead**, especially in the context of a potential terrorist attack or major foreign policy crisis. It should be troubling for Democrats should this critique take hold among more swing voters

Independents express some hope that the economy will improve, while Tea Partiers are convinced that things will remain on a downward trajectory since they see no end in sight to government spending. Interestingly, the near collapse of the financial markets in October 2008 was hardly referenced.

Both Independents and Tea Party voters expressed similar responses and emotions to the mounting Federal spending and debt. **Consequently, labeling the current level of Federal spending and debt as reckless and out-of-control is likely to resonate with both Independents and those who identify with the Tea Party movement.** Even among the

Independents who still disapprove of Republicans, they believe there is too much power centralized in one political party and that there needs to be a greater check and balance on the Democratic agenda.

Likewise, the participants believe the economic remedy offered by President Obama and the Democratic Congress is misguided. Where President Obama received credit last August for trying to fix the economy, these Independents are more likely to believe his actions have done more to bolster public sector projects and ailing state budgets than stimulate lasting job creation. The growth disparity between the public and private sectors was very troubling to voters.

Similar to our focus group findings last August, these voters find the national debt incomprehensible due to its overwhelming size. They express significant anxiety regarding the debt, but have a difficult time describing what it means to them personally. The argument that the Federal Government should adhere to a budget like voters do resonated the most.

In contrast with Tea Party voters, Independents have a favorable view of President Obama and still give him a considerable amount of goodwill, even those who voice disapproval about his policies or believe he has fallen short of their expectations. President Obama will test the limits of this goodwill should he direct the Federal Government to further intervene in the economy.

Similar to last August, voters were asked to circle one of the two statements that came closest to their views:

*The U.S. economy is too fueled by a cycle of boom and bust, where the rich have gotten extremely wealthy but ordinary workers have not seen their incomes or wages go up. It's time for structural changes that bring about greater government control to even out those economic cycles and provide greater stability.*

OR...

*The ups and downs of business cycles in a market economy are frustrating and at times even frightening, but if the Federal Government tries to manage business cycles it runs the risk of stifling the kind of innovation and long-term growth that has made America's prosperity the envy of the world.*

By two-to-one, Independents preferred the market-based economy presented in the latter statement. These Independents remain apprehensive of the Federal Government playing an ever-expanding role in the economy. **By reminding the public that more Federal spending and debt stifles innovation and slows economic recovery, opponents of greater government intervention in the economy will have a significant impact on the public debate.**

## **FOCUS GROUPS**

Des Moines, Iowa

June 10, 2010

Tea Party Men / Tea Party Women

Conducted by Public Opinion Strategies

Cincinnati, Ohio  
June 16, 2010  
Small Business Owners  
Conducted by Presentation Testing

Cherry Hill, New Jersey  
June 17, 2010  
Small Business Owners / Independent Women  
Conducted by American Viewpoint

Little Rock, Arkansas  
June 21, 2010  
Tea Party Men / Tea Party Women  
Conducted by McLaughlin & Associates

Orlando, Florida  
June 23, 2010  
Independent Men / Independent Women  
Conducted by Voter Consumer Research