



RESURGENT REPUBLIC

MEMORANDUM

TO: Interested Parties

FROM: Ed Gillespie, Whit Ayres and Leslie Sanchez

DATE: July 7, 2010

RE: Independents Support Conservative Policies in Health Care, Energy, and Fiscal Issues

Overview

With Independent voters siding overwhelmingly with Republican voters again in our latest survey, conservative and market-oriented policies now consistently trump the liberal and government-oriented policies pursued by President Obama and the Democrats in Congress. In three key policy areas – health care, energy, and fiscal issues – conservative policies are more popular than liberal ones.

Voters agree that offshore drilling should continue by a 56 to 37 percent margin, including a 56 to 36 percent margin among Independents and a 71 to 24 percent margin among Republicans. (Democrats oppose any new offshore wells by a 50 to 44 percent margin).

This survey also finds that predictions of increased support for the health care bill once voters learned more about it have proved inaccurate. Voters support an argument urging repeal of the new health care reform law by a 53 to 41 percent margin, even when juxtaposed against a strong populist message that *“we should stand up to the insurance companies, not give in to them.”* Independents agree that the health care law should be repealed by a 52 to 39 percent margin, compared to a 77 to 21 percent margin among Republicans. Democrats oppose repealing the law by a 61 to 33 percent margin.

Fiscal issues, starting with the passage of the stimulus package last spring, are at the vanguard of Independent dissatisfaction with Congress, and this survey shows Independents continue to oppose new spending and support corporate and capital gains tax cuts. In fact, voters overall agree that *“we should freeze total federal spending at 2010 levels for the next five years,”* by a 54 to 38 percent margin, even against a counterargument that *“freezing total federal spending at 2010 levels for five years is irresponsible. That would require either not paying guaranteed benefits like Social Security and Medicare, or making drastic cuts in the defense budget.”* Independents agree that we should freeze federal spending for five years by a 52 to 35 percent margin.

Less enthusiasm is found for conservative approaches to education. Voters agree that the federal government should not set national education standards by a narrow 49 to 47 percent margin, but agree that federal education dollars should be spent only in public schools by a 50 to 47 percent margin; say teacher pay should not be tied to performance “*given the many factors that affect student achievement*” by a 51 to 42 percent margin; and agree that mid-career professionals who want to enter teaching should be required to complete teacher training courses by a 55 to 40 percent margin.

Health Care

- 1. Likely voters agree that the health care reform law should be repealed, even in the face of a strong counterargument.** The argument for keeping the reform law intact featured an attack on health insurance companies, but fell short. (It should be noted, however, that the repeal argument includes a conservative alternative to the status quo, not a return to it.)

Congressman A says we should not repeal the Obama health care reform law. Repeal would leave 30 million Americans without coverage, and would let the insurance companies go back to cancelling policies when you get sick and denying coverage because of a pre-existing condition. We should stand up to the insurance companies, not give in to them.

Congressman B says we should repeal the Obama health care reform law, and replace it with a system that lowers costs, allows people to keep the coverage they have now, and give individuals the same tax breaks businesses get to provide health care insurance. Obama’s law will drive health care costs through the roof and bankrupt the country.

Voters agree that we should repeal the health care reform law by a 53 to 41 percent margin, including a 52 to 39 percent margin among Independents.

- 2. Voters agree with additional conservative proposals on health care as well.** Voters agree that people should be allowed to buy health insurance across state lines by a 67 to 26 percent margin (68 to 26 percent among Independents); agree that frivolous medical malpractice lawsuits drive up the cost of health care by a 52 to 36 percent margin (55 to 34 percent among Independents); and agree that states should decide for themselves how to cover their citizens by a 51 to 43 percent margin.

Energy and the Environment

- 1. Voters support the continuation of offshore oil drilling despite the Gulf oil spill.** The argument supporting offshore drilling, focused on jobs and energy independence, wins majority support over an argument against new offshore drilling, focused on threats to the environment, by a 56 to 37 percent margin, including a 56 to 36 percent margin among Independents.

Congressman A says the Gulf oil spill shows the danger and enormous environmental damage of offshore oil drilling. We should stop any new offshore wells from being developed.

Congressman B says we should not let one bad accident in the Gulf divert us from the importance of more offshore drilling to create jobs and make us less dependent on foreign oil.

Despite living closer to the oil spill, voters in the South agree that offshore drilling should continue by a 60 to 33 percent margin, compared to a 56 to 40 percent margin in the West, a 54 to 36 percent margin in the Midwest, and a 53 to 42 percent margin in the Northeast.

- 2. Voters agree that employees will not receive enough money in a tax cut to offset the impact of a carbon tax.** By a 54 to 35 percent margin, voters agree that *“there are a lot more important problems to deal with than climate change”* and employees will not be made whole on a carbon tax, despite a counterargument stating that *“we should adopt a carbon tax on all industries to deal with climate change, and offset the higher energy costs by cutting payroll taxes for all employees.”*
- 3. Our previous findings of support for a broad range of energy sources are borne out by this survey.** Voters agree that *“we should give tax credits to utilities to develop clean coal technology”* by a 53 to 40 percent margin and that *“we should provide loan guarantees to stimulate construction of more nuclear plants, and open the Yucca Mountain storage facility for nuclear waste”* by a 52 to 39 percent margin. Voters also agree that *“we should develop far more domestic sources of natural gas”* by a 50 to 45 percent margin against a counterargument that *“fossil fuels like natural gas are the energy source of the past, and we should concentrate our efforts on developing alternative sources like wind, solar, and hydroelectric power.”* Finally, we found a 51 to 42 percent margin of agreement that *“we should replace tax subsidies targeted toward a few energy sources with a general tax credit for research and development”* rather than using tax subsidies *“to stimulate research and development into the most promising alternative sources of energy.”*

Fiscal Issues

1. **Likely voters say the federal government should freeze spending for five years.** Even when voters are given a counterargument that a spending freeze would mean deciding between cutting benefits or defense spending, they agree that a spending freeze is a good idea by a 54 to 38 percent margin, including a 52 to 35 percent margin among Independents.

Congressman A says freezing total federal spending at 2010 levels for five years is irresponsible. That would require either not paying guaranteed benefits like Social Security and Medicare, or making drastic cuts in the defense budget.

Congressman B says we should freeze total federal spending at 2010 levels for the next five years. By funding only the top priorities, we will get the budget deficit back under control, and stop bankrupting the country and mortgaging our children's future.

2. **Voter concern about deficits is also evident in support for a balanced budget amendment and a constitutional convention to pass a balanced budget amendment.** These voters agree by a 54 to 37 percent margin that we should adopt a balanced budget amendment because “*it is the only way we will instill some fiscal discipline in politicians and stop them from bankrupting the country,*” despite a counterargument that a balanced budget “*could force draconian cuts in Medicare and national defense, and hurt the government’s ability to respond to emergencies like 9-11.*” Voters also agree that state legislatures should call for a convention to adopt a balanced budget amendment by a 46 to 39 percent margin, and agree that we should require a super majority of two-thirds to approve new spending by a 57 to 36 percent margin.
3. **Voters support extending the capital gains tax cut and cutting corporate taxes.** By a 54 to 40 percent margin, voters agree that we should “*keep the capital gains tax rate at 15 percent where it is today. Raising capital gains taxes now would hurt economic growth at a time when the economy desperately needs to create more jobs,*” over the argument that letting the “*Bush tax cuts on capital gains expire...would raise the tax rate on capital gains from 15 to 20 percent, which would provide critically needed revenue, and ensure that the rich pay their fair share.*” Voters agree that “*we should cut the corporate income tax rate from 40 to 25 percent to stimulate job growth in the private sector*” over “*cutting corporate taxes is a giveaway to the rich which would increase the deficit at the worst possible time*” by a 50 to 43 percent margin.

- 4. In contrast to focus group findings, voters indicate some questions about the shrinking tax base.** Our research has found mixed responses to questions focused on the fact that the highest earning 53 percent of Americans pay all income taxes, while nearly half pay none. In focus groups, voters were skeptical that was the case, even when presented with information that tax credits eliminate the tax liabilities for many tax filers. This survey framed the issue more in terms of fairness:

Congressman A says it is good for the country if the poorest half of Americans pays no income taxes. Those who can best afford to pay should carry most of the burden of funding the federal government.

Congressman B says it is bad for the country if half the population pays all the income taxes and half pays nothing. Every American citizen should contribute at least something to support the federal government.

In that context, voters agree that it is bad for the country if half the population pays all the income taxes by a 65 to 28 percent margin.

Education

- 1. Voters have a middle-of-the-road attitude when it comes to education, with arguments on either side splitting the electorate.** For example, voters agree that the federal government should not set national education standards by a narrow 49 to 47 percent margin, (51 to 44 percent among Independents) given these statements:

Congressman A says we need national education standards that are tougher than those in other countries. Only with national standards will we be able to ensure a world-class education for our students.

Congressman B says federal government has no business setting national education standards. Education is a state and local responsibility, and the states are best able to meet the needs of their own students.

2. **Voters narrowly agree that federal education dollars should be spent exclusively on public schools, that teacher pay should not be tied to teacher performance, and that all teachers should be required to complete teacher training classes.** Voters agree that federal education dollars should be spent exclusively in public schools by a 50 to 47 percent margin when presented with these arguments:

Congressman A says federal education dollars should go exclusively to public schools. We should not take funding away from struggling public schools to subsidize private education.

Congressman B says federal education dollars should follow the student when parents move them from failing public schools. Federal money should support the best possible education for a child, whether public, private, or parochial.

Voters also oppose tying teacher pay to performance by a 51 to 42 percent margin (47 to 45 percent among Independents), “*given the many factors that affect student achievement like the home environment.*” Finally, the argument against alternative certification draws majority support, 55 to 40 percent, when presented with these arguments:

Congressman A says we need the best trained people teaching in our public schools. Just because someone knows a lot about a field does not mean they will be an effective teacher. All teachers should be required to complete teacher training classes.

Congressman B says we should recruit our most talented people to teach in public schools. Many mid-career professionals could make superb teachers, and it makes no sense to require them to take a full curriculum of teacher training classes.

Conclusion

Voters seem not only to be rejecting big government policies in response to the actions of the Obama Administration and the Democratic Congress, but also seem ready to embrace conservative policies. That movement is driven by Independents, who have been moving away from liberal policy choices for more than a year. The Obama Administration’s policy choices have created very fertile ground for conservative alternatives this fall.

Methodology

This survey of 1000 likely voters was conducted June 20-23, 2010. Respondents were selected randomly from a random-digit-dialing sample including both cell phone and landline telephone numbers. All respondents confirmed that they are registered to vote in the county in which they live. Quotas were set for state, age, and race reflecting previous turnout; and the sample was minimally weighted to maintain the partisan balance in April’s survey of 36 percent Democrat and 32 percent Republican.

The margins of error for responses with an even split – 50 percent for one response and 50 percent for another response – is ± 3.10 percent for the full sample, ± 5.48 percent for Republicans, ± 5.75 percent for Independents, and ± 5.17 percent for Democrats. The margin of error is smaller when one response receives a higher level of support. For example, the margin of error is ± 2.68 percent when 75 percent of respondents in the full sample choose one response and 25 percent choose another response.