Tracking The Recovery

Voters’ Views on the Recession, Jobs, and the Deficit

Key findings from survey among 802 registered voters
Conducted September 21 – 23, 2009 for the

Economic Policy Institute
The vast majority of Americans believe the country is still in a recession, and rate the condition of the economy in negative terms.
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>Not sure</th>
<th>No, the country is still in economic recession</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the recession pretty much over?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How would you rate the economic conditions?</th>
<th>Good</th>
<th>Just fair</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4%</td>
<td>23%</td>
<td>36%</td>
</tr>
<tr>
<td></td>
<td>73%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>37%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Unemployment and the lack of jobs remains the dominant problem on the economic agenda for voters across party lines.
Which one or two of these are the most important economic problems facing the country?

- Unemployment and lack of jobs: 53%
- Federal budget deficit: 27%
- Cost of health care: 25%
- Wages not keeping up with cost of living: 20%
- High taxes: 16%
- Foreclosures and declining home values: 14%
- Problems with the banking system: 12%

<table>
<thead>
<tr>
<th></th>
<th>Democrats</th>
<th>Independents</th>
<th>Republicans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment</td>
<td>58%</td>
<td>46%</td>
<td>51%</td>
</tr>
<tr>
<td>Deficit</td>
<td>12%</td>
<td>34%</td>
<td>42%</td>
</tr>
</tbody>
</table>
More than 80% of voters see unemployment as a big problem today. While Americans foresee some decline in the severity of unemployment, more than 60% believe unemployment will still be a big problem in a year.
How big a problem is unemployment today?

**Very big problem**

<table>
<thead>
<tr>
<th>Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whites</td>
<td>58%</td>
</tr>
<tr>
<td>African Americans</td>
<td>68%</td>
</tr>
<tr>
<td>Hispanics</td>
<td>61%</td>
</tr>
<tr>
<td>Non-retired income:</td>
<td></td>
</tr>
<tr>
<td>Under $50K</td>
<td>60%</td>
</tr>
<tr>
<td>$50K – $75K</td>
<td>54%</td>
</tr>
<tr>
<td>$75K – $100K</td>
<td>56%</td>
</tr>
<tr>
<td>Over $100K</td>
<td>55%</td>
</tr>
<tr>
<td>Live in rural area</td>
<td>68%</td>
</tr>
</tbody>
</table>
How big a problem is unemployment today?

- Very big problem: 83%
- Fairly big problem: 24%
- Somewhat of a problem: 15%
- Not much of a problem: 2%

How big a problem will unemployment be in a year?

- Very big problem: 61%
- Fairly big problem: 28%
- Somewhat of a problem: 9%
- Not much of a problem: 2%
- Not sure: 33%

Non-college men, independents, and rural voters are most pessimistic that unemployment will remain a very big problem.
This recession is personal to Americans: 57% of voters are close to someone who has been laid off; 61% are close to someone who has had their hours or pay cut. And 44% of households have experienced one or the other in the past year.
Are you close to anyone who has been laid off?

- No: 43%
- Someone in my household: 24%
- Family member/close friend: 33%

Are you close to anyone who has had hours or pay cut?

- No: 39%
- Someone in my household: 37%
- Family member/close friend: 24%
Having someone in the household personally affected by the recession reaches high into the income strata and has an especially strong impact among voters under 35 and Hispanics:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All voters</td>
<td>44%</td>
</tr>
<tr>
<td>Non-retired income:</td>
<td></td>
</tr>
<tr>
<td>Under $50K</td>
<td>64%</td>
</tr>
<tr>
<td>$50K – $75K</td>
<td>50%</td>
</tr>
<tr>
<td>$75K – $100K</td>
<td>47%</td>
</tr>
<tr>
<td>Over $100K</td>
<td>43%</td>
</tr>
<tr>
<td>Age 18 to 34</td>
<td>57%</td>
</tr>
<tr>
<td>Hispanics</td>
<td>54%</td>
</tr>
<tr>
<td>Democrats</td>
<td>44%</td>
</tr>
<tr>
<td>Independents</td>
<td>43%</td>
</tr>
<tr>
<td>Republicans</td>
<td>43%</td>
</tr>
</tbody>
</table>
Stagnant wages are seen as a less dire immediate problem than loss of jobs, but 63% of voters say they are a big problem, with little improvement in sight for the next year.
How big a problem is/will be wages and salaries not keeping up with the cost of living?

**Today**
- Not much of a problem: 9%
- Not sure: 1%
- Somewhat of a problem: 27%
- Fairly big problem: 24%
- Very big problem: 63%

**A year from now**
- Not much of a problem: 10%
- Not sure: 2%
- Somewhat of a problem: 31%
- Fairly big problem: 26%
- Very big problem: 57%
Those with the lowest incomes and less education are most likely to see wages not keeping up with the cost of living as a big problem.

% saying wages and salaries not keeping up with cost of living is a very big problem today:

<table>
<thead>
<tr>
<th>All voters</th>
<th>39%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-retired income:</td>
<td></td>
</tr>
<tr>
<td>Under $50K</td>
<td>55%</td>
</tr>
<tr>
<td>$50K – $75K</td>
<td>37%</td>
</tr>
<tr>
<td>$75K – $100K</td>
<td>28%</td>
</tr>
<tr>
<td>Over $100K</td>
<td>19%</td>
</tr>
<tr>
<td>High school/less</td>
<td>49%</td>
</tr>
<tr>
<td>Some college</td>
<td>45%</td>
</tr>
<tr>
<td>College graduates</td>
<td>25%</td>
</tr>
</tbody>
</table>
Large majorities of voters see the government’s economic policies as helping banks and Wall Street, but few see themselves or average working families in general as benefiting.
How much has each of the following been helped by the government’s economic policies?

- Large banks
  - Helped a lot/a fair amount: 62%
  - Helped just some: 14%
  - Helped very little/not at all: 19%
  - Not sure: 5%

- Wall Street investment companies
  - Helped a lot/a fair amount: 54%
  - Helped just some: 15%
  - Helped very little/not at all: 22%
  - Not sure: 9%

- Manufacturing firms
  - Helped a lot/a fair amount: 21%
  - Helped just some: 21%
  - Helped very little/not at all: 50%
  - Not sure: 8%

- People who have lost jobs or had hours cut
  - Helped a lot/a fair amount: 15%
  - Helped just some: 21%
  - Helped very little/not at all: 61%
  - Not sure: 3%

- Average working person
  - Helped a lot/a fair amount: 13%
  - Helped just some: 20%
  - Helped very little/not at all: 65%
  - Not sure: 2%

- Small businesses
  - Helped a lot/a fair amount: 11%
  - Helped just some: 17%
  - Helped very little/not at all: 65%
  - Not sure: 7%

- My family/myself
  - Helped a lot/a fair amount: 10%
  - Helped just some: 14%
  - Helped very little/not at all: 73%
  - Not sure: 3%
Overwhelmingly, Americans say the Obama Administration still needs to do more to deal with the loss of jobs. The plurality of voters trust Obama more than Republicans in Congress to deal with the economy.
Has the Obama administration done enough to deal with unemployment?

- Has done enough: 13%
- Still needs to do more: 81%
- Not sure: 6%

Whom do you trust more to have the right economic policies?

- Barack Obama: 43%
- Republicans in Congress: 32%
- Neither: 18%
- Both: 3%
- Not sure: 4%
Two-thirds of voters say that the recovery bill has had a positive impact – but that it has helped a little rather than a lot.
Do you think the economic recovery bill has helped or hurt the economy?

- Helped the economy a lot: 53%
- Helped the economy a little: 17%
- Had no effect on the economy: 16%
- Hurt the economy: 12%
- Not sure: 2%
In back and forth debate, a majority agree that the recovery bill/stimulus package was necessary and worthwhile, and 55% oppose the idea of freezing further spending from the bill. These attitudes split along predictably partisan lines.
SUPPORTERS of the economic recovery bill say that at the start of this year, our economy was in serious trouble, and economists agreed that failing to act could have led us into a depression like we had in the 1930s. The recovery bill has helped put more than one million Americans to work, is making essential long-term investments in our economy, and will create another two to three million jobs when it is completed. Unemployment is still far too high because of the terrible recession Obama inherited when he took office, but the recovery bill was a worthwhile step in starting to turn the economy around, and we would be much worse off today if we had done nothing at all.

OPPONENTS say the economic stimulus bill has been a failure. Despite spending over hundreds of billions of dollars of taxpayers' money, unemployment is much higher today than when the bill passed. Too much of the money from this bill is going to government programs that have nothing to do with creating jobs. Increasing government spending and increasing the deficit is not the right way to create jobs and strengthen the economy, and the bill should never have been passed in the first place.
With whom do you agree more?

**Opponents:**
- Bill has been a failure: 40%
- Both/neither/not sure: 9%

**Supporters:**
- Economic recovery bill necessary: 51%

Furthermore:
By 55% to 39%, voters **oppose** repealing the economic recovery bill and prohibiting governments from spending any of the remaining funds from the bill for infrastructure, education, or other projects.
Voters see rising unemployment as a bigger problem than the growth of the federal budget deficit. By a large margin, they believe the focus for improving the economy should be on creating good jobs, and investing in education and energy independence, rather than shrinking government spending to reduce the deficit.
Which concerns you more about the economy?

- 42% Large increase in deficit/national debt
- 53% Rising unemployment
- 5% Not sure

Which should be the focus for improving the economy?

- **Shrinking government spending:**
  - Feel strongly 23%
  - Not strongly 36%
  - Not sure 3%

- **Creating jobs & investing:**
  - Feel strongly 42%
  - Not strongly 19%
  - Not sure 13%
Voters understand the deficit is a legacy of the Bush Administration rather than a product of the Obama Administration, and overwhelmingly concur with the principle that we need to invest in jobs because “we cannot solve the deficit problem without getting people back to work and getting our economy growing again.”
Who is more responsible for creating our current federal budget deficit?

<table>
<thead>
<tr>
<th></th>
<th>Bush</th>
<th>Obama</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>Not sure</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Obama administration</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Bush administration</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>Democrats:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liberal</td>
<td>88%</td>
<td>7%</td>
</tr>
<tr>
<td>Moderate/conservative</td>
<td>78%</td>
<td>9%</td>
</tr>
<tr>
<td>Independents</td>
<td>45%</td>
<td>27%</td>
</tr>
<tr>
<td>Republicans:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not very conservative</td>
<td>19%</td>
<td>46%</td>
</tr>
<tr>
<td>Very conservative</td>
<td>10%</td>
<td>59%</td>
</tr>
</tbody>
</table>
Which statement about the federal budget deficit do you agree with more?

- The federal budget deficit is an important problem, but we need to deal with it in a way that allows us to **invest in job creation, education, and energy independence**, because we cannot solve the deficit problem without getting people back to work and getting our economy growing again.

- The growing federal budget deficit is the biggest economic threat we face today, and it would be better for our country in the long run if we focus on **cutting government spending and reducing the deficit**, rather than investing in job creation, education, and energy independence.
Voters support a number of measures to create jobs and deal with the impact of unemployment – giving particularly broad and deep support to a job creation tax credit. There also is solid support for extending unemployment benefits and putting unemployed people back to work at public service jobs.
Support for Specific Economic Proposals

- **Major job creation tax credit for U.S. business**: 56% strongly favor, 31% somewhat favor, 6% somewhat oppose, 4% strongly oppose.
- **Extend unemployment insurance benefits**: 48% strongly favor, 33% somewhat favor, 10% somewhat oppose, 6% strongly oppose.
- **Put unemployed to work at government-funded public service jobs**: 41% strongly favor, 30% somewhat favor, 10% somewhat oppose, 17% strongly oppose.
- **Tax rebates for lower- and middle-income**: 35% strongly favor, 28% somewhat favor, 18% somewhat oppose, 16% strongly oppose.
- **Federal funds to prevent state/local govt layoffs: ensure vital services**: 23% strongly favor, 29% somewhat favor, 23% somewhat oppose, 21% strongly oppose.
- **Federal funds to prevent state/local govt layoffs**: 20% strongly favor, 26% somewhat favor, 20% somewhat oppose, 30% strongly oppose.

*Each asked of half*
Which statement about tax credits to companies that create jobs do you agree with more?

**SUPPORTERS:** it will create two to three million new jobs at a time when unemployment is rising and 15 million Americans are already out of work. Giving the private sector an incentive to create new jobs is the right way for government to strengthen the economy.

**OPPONENTS:** with the federal deficit already over $1 trillion, we just can't afford the cost of this $50 billion tax credit plan. The economy has already started to recover, and more government spending will do more harm than good.

<table>
<thead>
<tr>
<th>Federal Deficit</th>
<th>Supporters</th>
<th>Opponents</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUT</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>INVEST</td>
<td>9%</td>
<td>3%</td>
</tr>
<tr>
<td>73%</td>
<td>19%</td>
<td>73%</td>
</tr>
<tr>
<td>54%</td>
<td>15%</td>
<td>54%</td>
</tr>
</tbody>
</table>

Democrats
- Supporters: 74%
- Opponents: 19%

Independents
- Supporters: 47%
- Opponents: 43%

Republicans
- Supporters: 48%
- Opponents: 45%
GENERATING A ROBUST RECOVERY
Generating a Robust Recovery

Honorable Rosa DeLauro
Congresswoman
3rd District of Connecticut
Generating a Robust Recovery

Geoffrey Garin

President

Hart Research Associates
Generating a Robust Recovery

J. Bradford DeLong
Professor
UC Berkeley
Research Associate
National Bureau of Economic Research
Generating a Robust Recovery

Paul Krugman

Columnist

New York Times

Professor

Princeton University

Nobel Laureate
GENERATING A ROBUST RECOVERY

Q&A