

Date: October 3, 2007
To: Friends of Democracy Corps
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HEALTH CARE: SURGING ECONOMIC ISSUE
Children's Health Care (S-CHIP) Battle a Threat to Republicans

As President Bush issued the fourth veto of his presidency over the bipartisan bill that would have dramatically expanded children's health, the biggest factor in the rising concern with the economy. In the latest Democracy Corps survey, we examined a full battery of economic worries, but health care tops everything else, rising dramatically in the most recent period. Health care can emerge as the central economic battle of the 2008 election cycle. That is reflected in more and more people choosing health care as the top problem overall making it the top domestic concern. Voters concerns with health care remain primarily in the rising costs as well as in being sure they will always have access to quality care.¹

The battle over children's health care, S-CHIP, has the chance to crystallize this issue to the great disadvantage of President Bush and the Republicans. Voters reject the President's veto threat by almost two-to-one, preferring the expansion of insurance.

The Economy and Health Care

In an economy dominated by outsourcing and stagnant wages rising health care costs emerges as the issue that voters feel is the most serious problem. Over sixty percent of voters feel rising health care costs are a 'very serious problem' in our economy – by far, the biggest worry and one that has risen dramatically.

¹ Democracy Corps poll conducted September 16-19, 2007 of 1,000 likely voters nationwide by Greenberg Quinlan Rosner Research

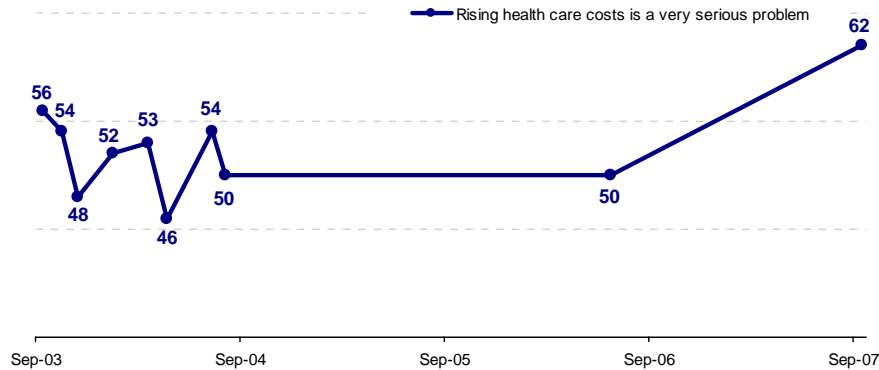
Rising health care costs most serious economic concern

<i>For each issue I want you to tell me whether today you think it is a very serious problem, a serious problem, not too serious a problem, or not a problem at all in the current economy?</i>	Very Serious	Serious	Total Serious
Rising health care costs	62	30	92
The federal deficit	51	32	83
Employers cutting back contributions for employees' health insurance and pensions	46	38	84
Rising gasoline costs	45	33	78
The growing gap between the rich and everybody else	44	28	72
Job losses to China and India	39	36	75
The situation with home sales, foreclosures and house prices	38	37	75
High taxes	36	36	72
Stagnant wages and salaries and people squeezed by rising prices	33	33	66
Unemployment	21	36	57

The percentage of voters considering rising health care costs a very serious problem increased 12 points in the past two years. What's more, concerns about health care costs are higher now than at any point in the past 4 years.

Over six-in-ten see health care costs as a very serious problem in the economy

I am going to read you a list of issues relating to the economy. For each issue I want you to tell me whether today you think it is a very serious problem, a serious problem, not too serious a problem or not a problem at all in the current economy?



*Note: From Democracy Corps surveys conducted over the last several years.

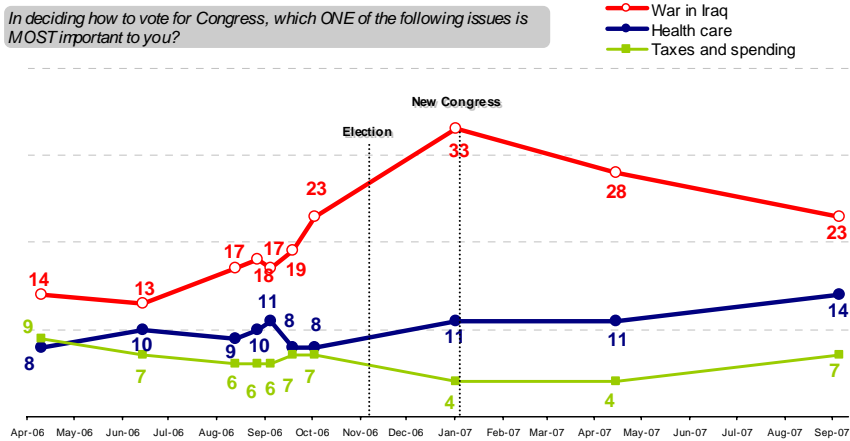
This is not surprising considering that in the Democracy Corps report on health care in May we saw that fully eight-in-ten voters were satisfied with the quality of health care they were receiving personally but only 43 percent were satisfied with the cost of their personal health care. In this context, proposals that temper the burden of rising health costs will garner the greatest support.²

Concerns about Health Care

Health care is the top domestic priority for voters and has risen in importance since April. Fourteen percent of voters mention health care as their most important concern, and the proportion of health care voters has risen 3 points since April.

² Democracy Corps poll conducted May 29-31, 2007 of 1,000 likely voters nationwide by Greenberg Quinlan Rosner Research

Health care top domestic priority for voters



Health care has proven to be an issue that aligns independents with Democrats and the progressive majority while putting Republicans at odds. Two-in-ten Democrats and 15 percent of independents mention health care as their most important concern while just 6 percent of Republicans are concerned about this issue. Indeed, health care is the second most important concern for Democrats and independents (trailing only the war in Iraq) and it is in seventh place in the Republicans’ list of concerns.

Leading the charge of cohorts associated with the progressive bloc are unmarried women of who 22 percent say health care is their top concern, trailing the Iraq war by only 6 points and outpacing their next concern, the economy and jobs, by an 8-point margin. Other groups vital to the progressive movement in 2008 including union households (15%) and younger voters with a college education (18%) all clearly feel health care is the most important issue on the domestic front.

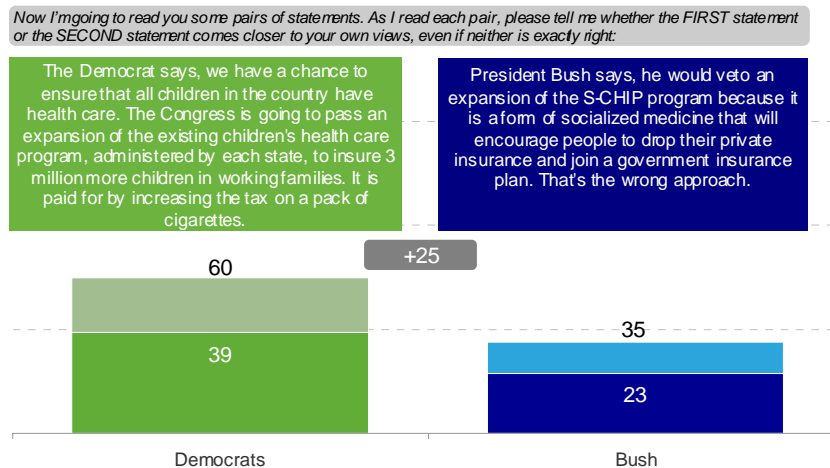
The S-CHIP Battle

The President badly loses the debate over S-CHIP, putting at risk Republicans who block the expansion of health insurance for children. Since the Democratic Congress has taken office in January, support for an expansion of S-CHIP has been among the highest testing proposals

voters would like to see Congress take action on. Indeed, more than a third of voters mentioned it as a one of their top two reasons to support a Democratic Congress in the future.³

While the President vetoed the expansion of children's health insurance because it exceeded the \$5 billion increase in funding he has suggested, voters want more. By 60 to 35 percent, voters side with the Democrats on this issue; indeed almost 40 percent strongly agree with a Democratic statement calling for an expansion of the S-CHIP program to insure more than 3 million children and paying for it by increasing the tax on a pack of cigarettes.

Voters align with Democrats on S-CHIP



As with health care overall, the S-CHIP battle gives Democrats a large advantage with independents, as well as mobilizing Democratic supporters. Indeed, the President has not won over Republican voters on this issue.

- Among Democrats nearly nine-in-ten favor an expansion of the S-CHIP program and among liberals 86 percent voice their favor. Voters in Democratic held districts favor the expansion by a 33-point margin and even in Democrats' most vulnerable districts, those which switched in 2006, voters favor the expansion by a 32-point margin.

³ Democracy Corps poll conducted January 24-28, 2007 of 1,002 likely voters nationwide by Greenberg Quinlan Rosner Research

- Independents align with Democrats in calling for an expansion of the program by a 34-point margin (62 to 28 percent).
- Voters in Republican-held districts favor a Democratic statement calling for an expansion of the S-CHIP program by a 16-point margin (55 to 39 percent). Those identifying as Republicans favor the Presidents' position by a 42-point margin (27 to 69 percent).

Democrats have an opportunity in the context of the S-CHIP bill to challenge the President on a defining and important issue. It will be fought out on terrain very favorable to Democrats, pre-staging a larger debate on health care in 2008.