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To: Friends of Democracy Corps

From: Stan Greenberg
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RE: ALERT -- DEMOCRATS MOVING UP
How Best to Turn this Movement into Real Momentum for Democrats

The latest Democracy Corps poll – along with a series of other polls, nationally and statewide – shows an electorate that is now starting to shift toward the Democrats. A shaken economy, the fall in consumer confidence, and the yawning Republican deficit on basic domestic issues like Social Security are reshaping the political landscape of 2002. The data show that Democratic messages, themes, issues and attacks are significantly more persuasive to voters. With the public growing very unsure of the country's direction, this is a moment for intense focus and action for Democrats.

The Democracy Corps polls of the last two months have highlighted the fact that Democrats, for the first time since September 11th, have been winning all the message contrasts and that our issues and attacks are testing stronger than those of the Republicans. This is even truer today. And the past week has seen a range of bi-partisan and media polls that are all giving the Democrats a significant advantage in the Congressional ballot for November:

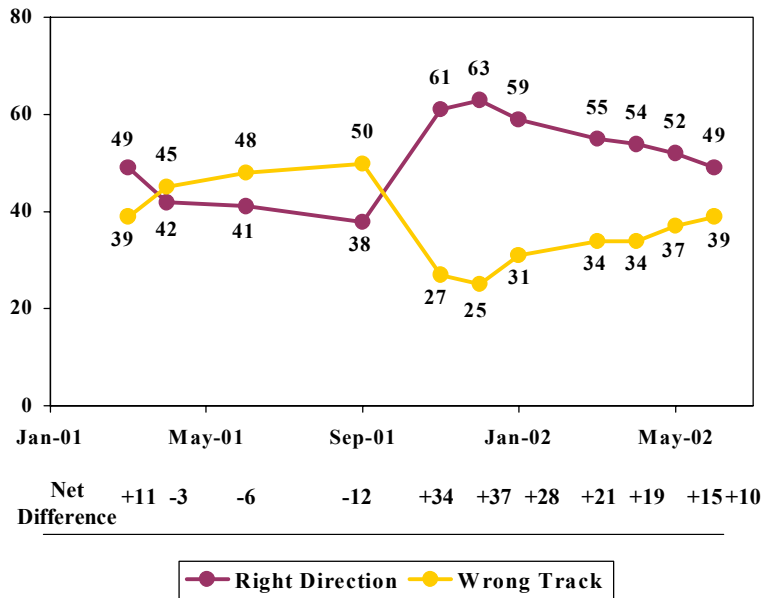
CNN/Time	+ 9
USA Today/Gallup	+ 8
Battleground poll [Goeas/Lake]	+ 5
Democracy Corps	+ 2
CBS News	- 1

The average of the public polls has suddenly moved up to give the Democrats a 5-point lead in the generic race for Congress.

This reflects the increasingly unsettled state of the country – with only 49 percent now saying the country is headed in the right direction. Uncertainty about events abroad,

but particularly uncertainty on the economy, is depriving the Republicans of what had been one of their central arguments and advantages - a sense that the country is on the right course. The trend line dramatically illustrates what is happening to public thinking as events unfold around us.

Direction



For the first time in the last nine months, Democrats have started to make gains on who can best handle the issues facing the country. In the latest Democracy Corps poll, completed on Monday night, June 24th, a day before the WorldCom news, we see striking trends in the issue environment.¹

- When asked which issues are most important to you in your vote for Congress, the top four are domestic – education (30 percent), economy and jobs (29 percent), Social Security and Medicare (23 percent), and affordable health care (22 percent). The war on terrorism ranks fifth, also at 22 percent.
- The voters who choose these top four issues in their Congressional vote are all voting Democratic by large margins. The economy/jobs voters – for the first time – support Democrats for Congress by a decisive 15 points, up from a marginal four points a month ago.

¹ Democracy Corps conducted a survey of 1000 likely voters June 18-24, 2002.

- In this past month, the Democratic advantage on specific issues has started to increase: retirement and Social Security (a +17-point advantage, up 4 points this month), addressing America's own domestic problems (+8, up 8 points), standing up to powerful interests in Washington (+6, up 5 points) and education (+8, up 5 points).
- The Democrats have re-emerged with an advantage on education, both in the Democracy Corps poll and the Battleground poll.
- The Democrats continue to enjoy overwhelming advantages on anything related to health care and the environment. On prescription drugs, for example, the Democrats are more trusted by 23 points.

To make sure this movement is transformed into real momentum, we want to underscore the most powerful themes, messages and contrasts for Democrats to advance.

Themes

There are three emerging themes, which are mutually re-enforcing. The first stresses corporate irresponsibility and accountability, the second retirement and health care, and the third, a real difference on priorities.

1. ***Corporate irresponsibility and accountability – the green light.*** In our previous Democracy Corps memo (May 22, 2002), we stressed the emerging theme – those in powerful positions are acting irresponsibly, hurting ordinary people, and not being held accountable. The theme gained power as people reacted to the scandals in the Catholic Church and corporate America, as well as the intelligence failures in the FBI and CIA. Now, the theme grows stronger. People accept that the Bush Administration and Republicans gave a “green light” to such free-wheeling behavior – evident in the tax cuts (15-year retroactive for the biggest corporations, including Enron) and on energy and the environment (shifting waste site clean up from industry to taxpayers). Voters are very ready to believe that the Republicans have given free rein to an ethos that rewards irresponsible behavior by the powerful, at the expense of employees and ordinary investors.
2. ***Being irresponsible and threatening people's retirement.*** The Republicans handling of the Social Security trust fund and private pension and 401k plans is already a powerful theme, which will only grow stronger. Democrats are in a position to make the case that Republicans are bringing the same ethos to people's retirement savings (Social Security and private pensions) that corporate CEOs have brought to the companies that they have run into the

ground. A striking 60 percent of the public agree with the following statement:

The Administration and Republicans are a threat to people's future retirement. They seem more interested in helping their corporate supporters than ordinary employees and investors. They failed to step in to give greater protections for private pension and 401k plans. And they've borrowed 2 trillion dollars from the Social Security trust fund to pay for tax cuts for the wealthiest, with no plan to repay the fund. They have put tax cuts for the top 1 percent ahead of a prescription drug benefit for seniors.

3. ***Real differences in priorities.*** With the Democrats ahead and gaining on the top four issues determining the Congressional vote, it is critical to advance the case that Democrats and Republicans simply have different priorities – for example, on prescription drugs and education which we discuss in the next section.

Challenging the Republicans

Democrats should be aggressively challenging the Republicans on four issues – robbing the Social Security trust fund, corporate tax giveaways, prescription drugs and education.

The Social Security trust fund. The Democrats should continually emphasize that the Republicans have drained two trillion dollars from the Social Security trust fund to use for other purposes. (Some may want to talk about using the money for tax cuts for the wealthy.) That was our strongest attack last month, and we will have a further elaboration of the message in the next few weeks. But it is important to emphasize that the Republicans are acting irresponsibly with people's retirement money. Ultimately, the issue of irresponsibility, accounting gimmicks and jeopardizing the savings of ordinary citizens will become a powerful theme for Democrats.

Corporate giveaway #1: industry to taxpayers. At the top of the attack battery, this month and last, is the following statement, raising serious doubts for 70 percent of the electorate:

They say we should no longer require the oil, chemical and energy industry to pay for cleaning up old toxic waste sites, instead shifting the clean-up costs to the taxpayers.

The attack angers a broad array of voters who now see irresponsibility rewarded with them left to foot the bill.

Corporate giveaway #2: 15-year retroactive tax cut for Enron. The 15-year retroactive tax cut for the biggest corporations seems unbalanced and irresponsible, particularly for Enron, which was escaping taxes. Again, the attack below links the themes presented above:

When the recession was making it hard for people, they supported an economic stimulus package where 75 percent of the money went to the biggest corporations, including a 15-year retroactive tax cut of more than a billion dollars each for Ford and IBM and 254 million dollars for Enron, which had paid no taxes in four of the last five years. (66 percent serious doubts)

While we did not test the issue in this poll, it is very possible that the foreign tax havens can emerge as a parallel illustration of the ethos of the Republicans, even as America is fighting a war against terrorism.

Prescription drugs: wrong priorities. This is one of the biggest concerns and the issue on which Democrats have the biggest advantage. The Republicans have their priorities wrong, even if they pass a transparently watered-down bill in the House of Representatives.

They promised to prioritize a prescription drug benefit for all seniors, but instead, they passed a two trillion dollar tax cut, mostly for the wealthiest, which made a prescription drug benefit for most seniors unaffordable. (66 percent serious doubts)

We should also note that a message emphasizing prices, rather than Medicare, scores almost as high.

Education. With the Democratic advantage on education re-emerging, it is important to hold the Republicans accountable for zeroing out increased education spending for the next seven years, including their partisan decision not to fund the bi-partisan education bill passed last year.

Affirmative Positioning

The affirmative issues for Democrats are straightforward and help establish the credibility of the contrasts and themes discussed above. It is worth emphasizing that the last two issues described here should not be neglected as the Congressional battles and election campaigns heat up.

1. ***Making prescription drugs the highest priority.*** We will not belabor the point: enacting a prescription drug benefit, available for all seniors, is a top priority for Democrats.
2. ***Protecting the Social Security trust fund.*** This is the natural corollary of the challenge to the Republicans.
3. ***Middle class tax cut.*** To win the battle, Democrats need to advance their own initiative on tax cuts for the middle class – making permanent the abolition of the marriage penalty and making college tuition tax-deductible. This has proved to be one of the two top issues for Democrats in the Democracy Corps poll this month and last.
4. ***Transforming and strengthening the military to meet the new terrorist attacks.*** This proposal for a candidate for Congress tested very strongly and suggests the importance of affirming the Democrats' commitment to a strong military capacity, faced with new kinds of threats (63 percent more likely to vote for the candidate). While the impact on the Congressional vote is modest, it is helpful, giving the Democrats a further 2-point boost at the end.

Conclusion

We are at the defining moment in the politics of 2002. The course of events and Republican failure in critical areas have made Democratic priorities and policies increasingly attractive to voters. At the same time, the Republican strategy which proclaims the economy as one of its two pillars for 2002 is increasingly being confounded by the facts.

But it is not just the economy, stupid. It is corporate irresponsibility on a stunning scale, and a Republican approach that tolerates or even rewards it. The issues are Social Security and health care, especially prescription drugs. And the issue once again is education where the Democratic advantage has returned. With reassurance on middle class tax cuts and a new defense strategy to meet the challenges of the 21st century, Democrats can gain even more ground. They now have decisive advantages on four of the five top issues determining the Congressional vote – in fact, the top four. The Republicans are weakening. The Democrats are back. And if Democrats meet and master this moment, they can win the House and widen their margin in the Senate.