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To: Friends of Democracy Corps

From: Stan Greenberg
James Carville
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RE: THE FALTERING BUSH PRESIDENCY
Bush Losing Ground on Trust, Foreign Affairs and the Economy

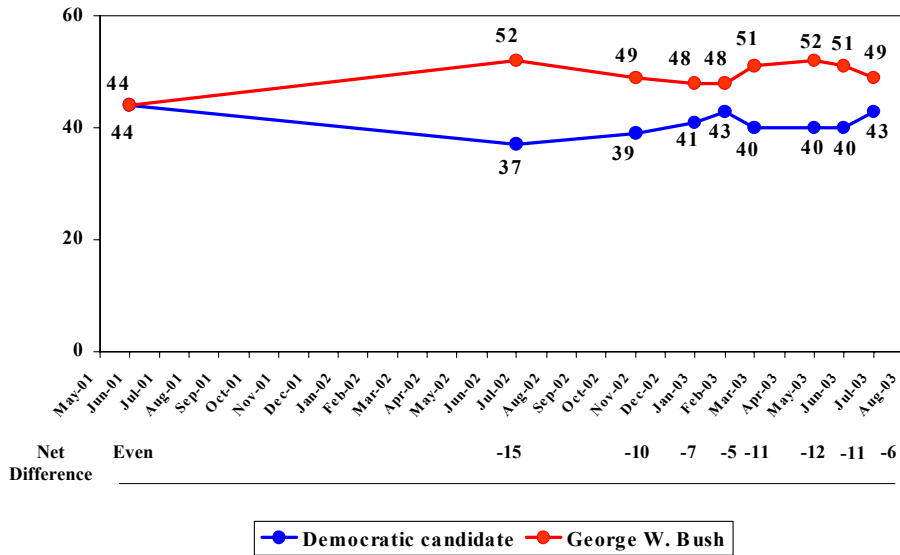
George Bush has suffered major political damage on multiple fronts in the last month, as we now see in the latest national poll for Democracy Corps.¹ This survey provides a window into the dramatic changes now taking place in the electoral landscape, with Bush suffering his biggest political fall since 9-11 and perhaps of his presidency. Bush's approval ratings have dropped to his pre-9-11 levels and already created a competitive election for 2004.

As in our previous polls, there is no evidence of Democratic gains, mostly a loss of confidence in the president and to some extent the Republicans. But the congressional generic race remains unchanged, suggesting the need for Democrats to be heard on their plans and views, and on the strength of their candidates.

The president is taking so much water because he is losing ground simultaneously on three fronts – the economy, the war and foreign policy, and on trust. In each area, a growing majority is saying they want to move in a “significantly different direction.” These are interacting to produce much greater pessimism about the country's direction (from a net +2 last month to –6 this month) – an 8-point swing. That is translating directly into presidential voting, where George Bush defeats a generic Democrat by only 49 to 43 percent, with the president losing half his margin in the last month. A 49-percent re-elect would already suggest a re-run of 2000, but the scope of the losses should produce a Democratic Party much more confident of its ability to challenge and win on its ideas.

¹Democracy Corps conducted a national poll of 1014 likely voters July 15-20, 2003.

Presidential Vote



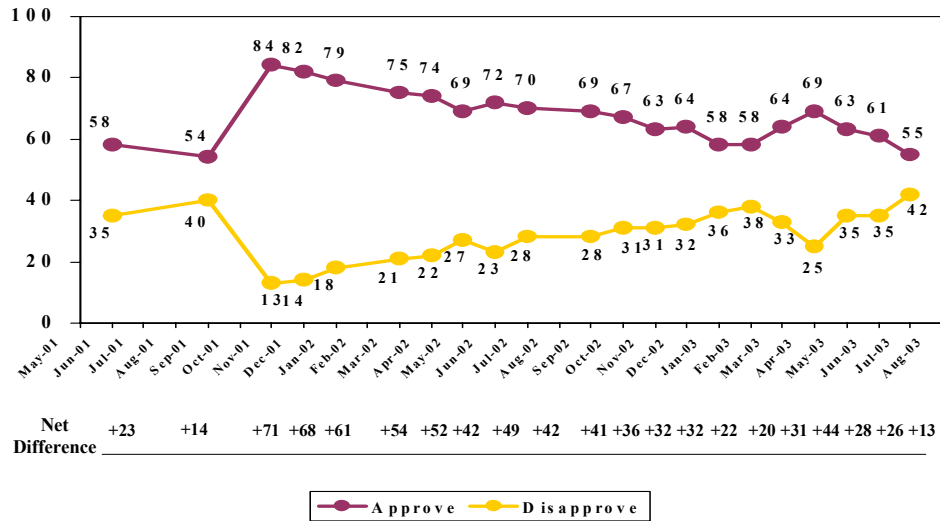
That the president is losing ground on trust, the war and foreign policy, and the economy will leave the Democrats with many fronts to engage on – in terms of both critique and alternative plans – and both are important.

Trust and Declining Confidence in the President

We have talked in many of our earlier memos about potential gains for Democrats, and those have been real. But through most of the last two years, the president has maintained high standing, even as his ratings have come down toward a more human scale. But now the change is real: this poll is not about potential and the president has lost his Teflon, as evident in the rapid deterioration of his position on trust over the last month, indeed, over the last two months.

The president’s approval rating has dropped to 55 percent and, more importantly, the percentage disapproving has risen 7 points to 42 percent. The percentage who strongly disapprove has risen 8 points to 31 percent, by far the highest point of his presidency, even higher than before September 11th. While there are somewhat more who strongly approve (37 percent), the two numbers are moving toward parity, which would be a very big statement about the state of the Bush presidency 15 months before the election.

Bush Job Approval



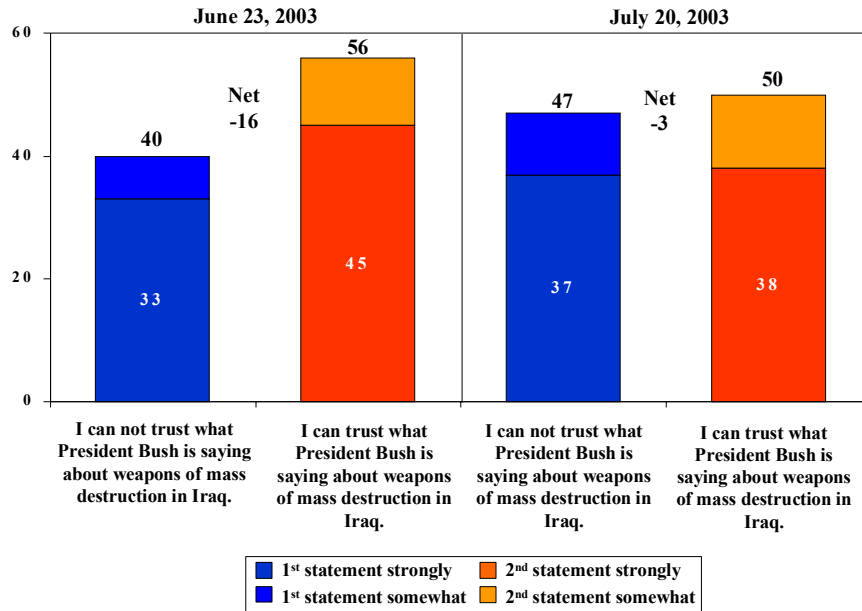
* Since Democracy Corps did not conduct a poll during April, the April data is an average of public polls conducted during that month

Some of the change is due to an intense reaction among Democratic partisans, where the disapproval has jumped 12 points (from 64 to 76 percent). Republicans have held steady for the president, but independents are going the way of the Democrats. Bush’s approval has dropped 7 points among independents, now just 52 percent approve and 45 percent disapprove.

The president’s drop is personal as well as political. In the last month, his “thermometer” favorability rating has dropped 5 degrees (from 61.0 to 56.0 degrees), which is very big in historic standards and moving him into an ordinary range. But what is most striking is the willingness of voters to play down his trustworthiness on important policy questions related to Iraq.

- On whether Bush can be trusted on weapons of mass destruction, 47 percent say he cannot, with 50 percent saying he can. Within one month, there has been a 7-point rise in the number who say the president cannot be trusted on this issue.
- The percent who strongly distrust the president equals the number now who strongly trust the president on the WMD (37 to 38 percent).
- A smaller number (42 percent) agree with the stronger statement, “President Bush misled Americans about the dangers and threats Iraq posed before the war.” But that is a fairly strong condemnation, supported by 42 percent.

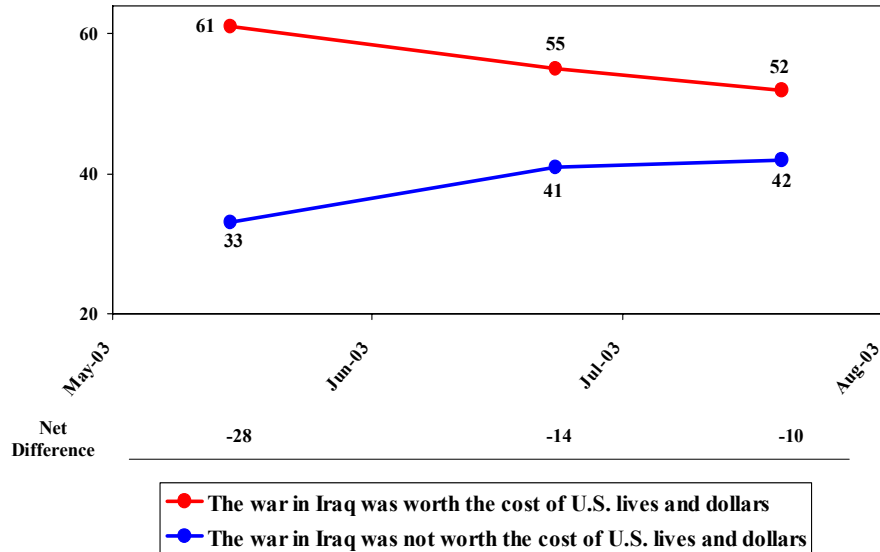
Trust Bush about Weapons of Mass Destruction



The Iraq War and Declining Confidence in Bush’s Foreign Policy

While there is no evidence of a lessening commitment to address the terrorist threat facing the country, the public has rising concerns about Iraq, no doubt fueled by the lack of popular Iraqi support for America and the continuing cost of the occupation. Remarkably, just 52 percent now say the war was worth the cost in U.S. lives and dollars, with 42 percent saying it was not worth it. This represents a very sharp and continuing decline over a two-month period.

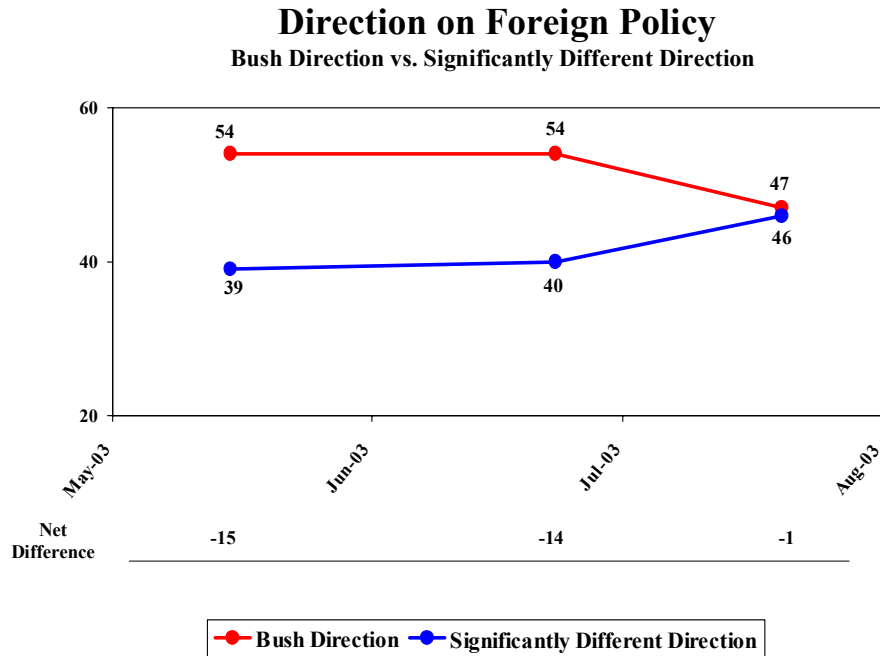
Was the War in Iraq Worth it?



A majority of the country (52 percent) says the president lacked a plan for the post-war situation and lacks a plan to win the peace and bring the troops home. Democrats should frame all the post-war problems through this central failing of the Bush administration. Whether it is placing American troops at risk or undermining America’s ability to invest resources at home, the lack of planning has far-reaching ramifications that are hurting the country.

The bigger problems for the administration are the lessons that people are taking out of the war and its aftermath. Rather than confirming the virtues of a unilateralist American posture, the public has become more internationalist. When asked whether American security should depend on building strong ties with other nations or whether it should depend on our military strength, the public chooses internationalism by 52 to 39 percent – a 13 point advantage, which has doubled in the last month and reached its highest point since we started asking the question in April 2002.

The result is a striking drop in confidence in the president on handling foreign affairs. What was his strength is becoming a potential weakness. The reader will not be surprised with the sharp drops in confidence in handling of the economy, but the drops on foreign affairs are as stark. A month ago, 54 percent wanted to continue Bush’s direction (with 40 percent wanting to go in “a significantly different direction”). Today, the country is split evenly, with 47 percent for continuing and 46 percent for major change.



Problems of confidence pervade the public’s thinking about the president and of all aspects of foreign affairs:

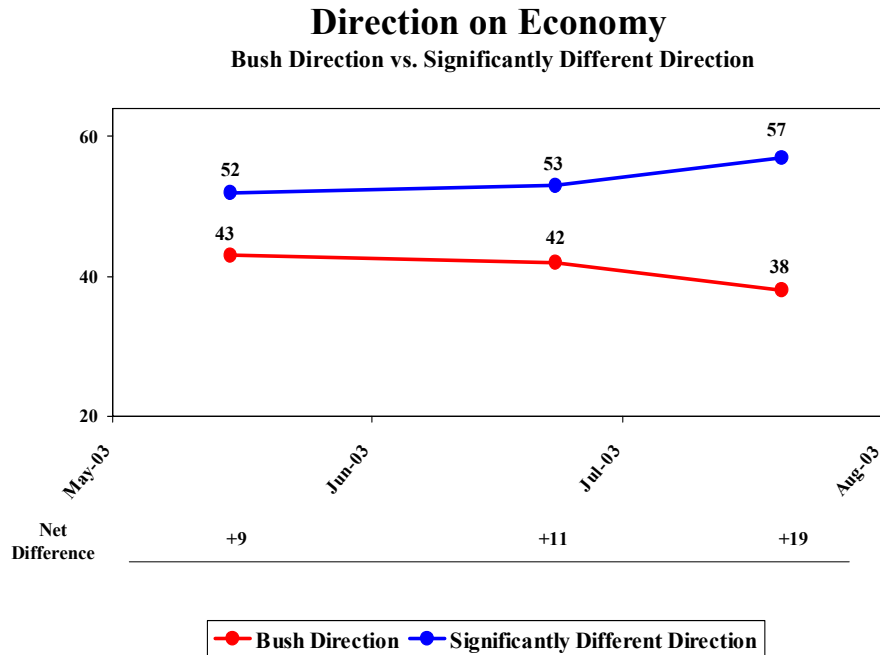
- On respect for the United States in the world, only 52 percent want to continue the Bush direction.
- On relations with other countries around the world, only 47 percent want to continue the Bush approach.

Support for the president on the war on terrorism itself has dropped sharply, but it is important to note that 64 percent still want to continue the Bush direction. Similarly, on homeland security, by two-to-one, voters think the Bush administration is providing the resources necessary for homeland defense.

Breakdown of Confidence on the Economy

While the economy has been weak for some time, the continuing weakness, the news of historic deficits, and likely the fading focus on Iraq, has shaken public confidence in Bush and set his numbers cascading downwards in a fairly short period. There is now a very large majority (57 percent) who want to move in “a significantly different direction” on the economy – 19 points more than who want to continue in the direction

Bush is taking the country (38 percent). The margin for significant change has moved from 9 points in May to 11 points in June to 19 points now.



The decline on the economy is part of a general fall in confidence on the economy, as evident below:

- The budget and deficits.** The biggest change in the poll, reflecting one of the biggest events of the period, is the public response on the budget and deficits. Now, 59 percent say we need to go in a significantly different direction, with only 32 percent wanting to continue with Bush – a 27-point margin for change. That is up 12 points this month. The percentage saying they feel “strongly” that we should move in different direction is up 8 points to 51 percent. Voters are obviously paying attention.
- Taxes.** Symptomatic of the loss of confidence, more voters now say they would have the country go a different direction on taxes (48 percent) than continue with Bush’s direction (46 percent). That is a repudiation of his core policy, which we will monitor as the checks are mailed out this summer. Further, there is strong evidence later for highlighting Bush’s tax cuts for the wealthy as his only economic policy.
- Economy top concern.** Nearly twice as many people mention the economy as a concern, as the next closest problem (38 percent). (Respondents were allowed to

choose two problems). Education and Social Security are next (both at 21 percent), but really they are part of 2nd tier – along with fighting terrorism, moral values, health care, and homeland security – all of which are mentioned by about a fifth of the voters.

Medicare, Prescription Drugs and Social Security

There is evidence of declining confidence in the president and the Republicans on retirement issues, even as they have passed the prescription drug plan in the Senate and House. And indeed, the loss of confidence in the president in the last month may be related to this, as he has fallen sharply with seniors and retired voters. A rising percentage say they want to go in a different direction on prescription drugs. The margin for change, 14 points, has increased 9 points this month.

Why would the Republicans be falling just as they are addressing the prescription drug problem? First, when things are going bad, they go bad and you lose trust on a wider front. Second, older voters do not fully trust the Republicans on what they are doing on Medicare and Democrats may have been heard. Perhaps most important are the skyrocketing deficits, which people believe mean no money in the trust fund and no money to fund Social Security. (This has the virtue of being true, and Democrats should talk about the deficits in these terms, not just economic.) Other polls over the last six months show sharply rising concern with Social Security's future, likely linked to the growing recognition of the deficit problem.

However, do not underestimate the ability of the Republicans to aid their position were they to pass a Medicare reform and prescription drug plan. Regardless of the content of the package and the reality, they will argue, backed by millions from the pharmaceutical and insurance companies, they have delivered drug coverage, choice, and lower costs for seniors. That runs even with our critique, though their position will be better funded.

Attacks on the Economy and Money

Right now, the most effective attacks on the Republicans tested in this survey center on the economy. The two strongest attacks lay out the economic decline under Bush – deficits, unemployment, declining stock market, rising health care costs and the uninsured. The attacks do not blame him for the economic problems and our focus groups show clearly that voters do not either. The first attack simply hits his record and voters fill in the blanks on Bush's failed effort to achieve recovery. The second attack explicitly attacks Bush for having no plan except more tax cuts for corporations and the wealthy. That is very important for marginalizing his core economic policy, particularly as the

public grows less confident in his course. (We will monitor the impact of the actual tax cuts this summer.)

When talking about the economy, Democrats should not engage in an argument about the past. Instead, they should use Bush’s economic failures as a backdrop to the question of whether America should continue with Bush economics. With record deficits, growing unemployment, and rising health care and college costs as a given, Democrats ought to focus the debate on a choice of how to get the economy moving again – continue with more Bush tax cuts for the rich and corporations or move to fiscally responsible policies that invest in the country and the people who need it.

Attacks on the Bush Administration		
	Very Serious Doubts	Total Serious Doubts
President Bush's economic record is one of the worst in our nation's history. Over the past 3 years, record surpluses have become record deficits of more than 400 billion dollars this year, the stock market has fallen more than 20 percent, 3 million Americans have lost their jobs, and more than 40 million Americans have no health insurance.	30	58
President Bush has raised a record 200 million dollars of campaign contributions from corporate interests to support his re-election. Coal companies gave Bush and the Republicans 3.7 million dollars and were rewarded with relaxed environmental standards, increasing the pollution released into the air and water, hurting ordinary citizens.	28	53
Unemployment has skyrocketed to its worst levels in 9 years, the economy remains in recession, and Americans cannot keep up with the rising costs of health care. We need a serious economic plan, but President Bush’s only economic policy is yet more tax cuts for corporations and the wealthy.	27	57
President Bush has raised a record 200 million dollars of campaign contributions from corporate interests to support his re-election. The pharmaceutical companies gave Bush and the Republicans 14 million dollars and were rewarded with Medicare reform that bars the government from negotiating lower prices for seniors.	26	57

One of the most important findings in the survey is the power of the attack on the president and the Republicans for the money they are raising from special interests. Historically, these attacks have been uneven in their effectiveness. But now, with the president raising so much money and with special interests so visibly getting their way, it is possible to make an explicit and persuasive link to people's lives. The two most effective link coal company support for Bush to Bush administration policies on air and water pollution and link pharmaceutical companies support to administration policies barring the government from negotiating lower prices for seniors.

This may be the first election where our attack can actually offset their money and possibly use their own advertising against them.

Democratic Standing

The president is falling and the unnamed Democratic presidential candidate has moved up. More important, the image of the Republican Party has become a little tarnished and its thermometer rating has fallen slightly, around 2 degrees to 51.6. The Democrats are at 50.8 – which is the smallest Republican advantage in 18 months.

But the image of the Democrats has not improved. The support for Democrats in a generic congressional contest and in party identification has not risen, and the two parties are essentially at parity. The Democrats are behind by 1 point in the generic congressional.

While we do not want to diminish the critique of the Bush administration, which is producing rising doubts on trust and declining confidence on foreign policy, the economy and Social Security, Democrats now need to be heard on their plans for the economy, security, education and health care.

While other surveys show Democrats making some headway on education, as voters grow more doubtful about the Republicans, Bush maintains some goodwill on the issue. It is one of the few areas, outside of the war on terrorism, where people would be content to continue the current direction. We cannot allow Republicans again to be credible on education, compared to the Democrats.

Areas of Gain

There are some voters who remain steadfast in support of the president, despite the current problems. They include –

Conservative Republicans
White men, particularly those under 50 years of age

White non-college voters under 50 years
White non-college men
White married men
White devout Evangelicals

Because of the decline in confidence on key fronts – economy, war and foreign policy, and trust and probably retirement – Republicans are suffering losses with a wide range of groups, for different reasons.

Young voters under 30 years (white). Republicans have been doing very well here in the last year, but there is a loss of confidence in the last month – on the economy and on the war. Bush is still doing well here, getting 57 percent re-elect support, but down 11 points.

Older women (white). While Republicans had been doing well here, they have taken their biggest slide here on all fronts, particularly on Bush personally, trust, deficits and economy and the war. Bush's re-elect is down 11 points over one month, to only 44 percent.

White seniors, both men and women. There have been across the board shifts on the issues and the Bush person, leading to rising vote support for the Democrat (up from 37 to 47 percent) over one month; with Bush's support down from 56 to 48 percent.

College graduates (white). They have pulled back on Bush's foreign policy performance, trust on WMD and the economy, which is impacting votes. In the last month, Bush is down sharply with white college graduates, with his re-elect falling from 55 to 49 percent. The shift is for both men and women, but greater for women, where Bush has fallen from 51 to 43 percent.

Religious voters. With the president taking a hit on trust and competence on a wide front, we see sharp drops in support among Catholics (from 56 down to 47 percent over one month) and white mainline Protestants (from 55 to 49 percent).

That provides Democrats with a broad range of opportunities to re-enforce. ***Rural voters,*** so important to the Democrats' congressional and Electoral College prospects, have moved marginally toward the Democrats, but not dramatically. They need to be drawn into the general trend.

The presidential generic election is getting very tight because Democrats are coming to vote with the same unity and intensity that we saw on the Republican side in 2000. The percentage of Democrats voting for Bush is down to 11 percent. African American

support for Democrats has jumped. Indeed, for the first time in memory, Democrats score higher on the turnout scale (91 percent a score of 10), compared to 89 percent for the Republicans. This is not normal and on the lower turnout model for the poll, Democrats run a little better. That means Democrats are feeling more motivated than Republicans at this point.

That gives the Democrats plenty of issues and targets and the confidence to critique Bush's performance and advance their own ideas.

Conclusion

We have clearly entered a new period, though we will watch the next month or so to see whether these trends continue and whether Bush continues to lose voter confidence on all fronts. Obviously, Bush is vulnerable. The economic attacks on the Bush record are the strongest, and the Bush tax cuts are part of his vulnerability. The deficits are a powerful issue now, understood by voters. The attack on the link between special interest contributors and Bush policies has remarkable resonance. And not only on the economy and a range of domestic issues, but now on foreign policy which was assumed to be Bush's strong suit, voters are dissatisfied with the Bush direction. It is not clear that Bush is steering the best course on security and using our troops in the most effective way. As people experience the price of going it alone in Iraq and the world, Bush goes down. It is time for Democrats to step forward confidently, holding Bush accountable for his record, but also giving voters a taste of the Democrats' vision for the future.

The results send a strong signal that 2004 is a whole new ballgame.