

## MEMORANDUM

**TO: Interested Parties**  
**FROM: Guy Molyneux and Geoff Garin, Hart Research Associates**  
**DATE: September 2015**  
**RE: Everyone Economics: A Winning Economic Message for Democrats**

### INTRODUCTION

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The voting public remains unhappy with the economic situation today, and the economy far and away is the issue that voters feel is most important for the president and Congress to address. Despite the role Republican policies played in creating the economic collapse of 2008, voters are now as likely to trust Republicans as Democrats to improve their economic situation. For Democrats to succeed in the 2016 elections and beyond, we must articulate a more compelling economic vision and agenda.

This memo reviews the findings of a major research effort designed to develop a powerful economic message frame for communicating with voters. The research was conducted in three phases. First, we convened eight focus group discussions among swing voters. Phase two consisted of an online survey among 1,523 registered voters, including 947 swing voters (voters who are not strong partisans and not Tea Party supporters), conducted in May 2015. Phase three was an online dial test of economic messages conducted among 1,602 swing voters conducted in July 2015. We also draw upon economic research we conducted for a consortium of progressive groups in 2014.

The research was undertaken in partnership with Americans United for Change, AFSCME, SEIU, AFL-CIO, NEA, Planned Parenthood, Latino Victory Fund, and Project New America, and not at the request or suggestion of any candidate or political party. This research was created independently of any non-public information regarding the plans, needs, strategies, and activities of a candidate or political party committee. It is being released to Project New America subscribers and may not be distributed without written consent.

## KEY MESSAGE FINDINGS

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### 1. Improving Incomes: Centerpiece of the Democratic Agenda.

**Improving incomes for ordinary Americans must be at the top of Democrats' economic agenda, as it is for the public. We can engage voters on the issue most effectively by contrasting average people's stagnant incomes with the gains enjoyed by the top 1% and CEOs. This populist contrast broadens our appeal, while a focus only on the struggles of the middle class actually *reduces* the power of our message. Americans' top priority is creating *an economy that works for everyone, not just the wealthy few.***

The central economic concern for voters today is that their incomes are not keeping up with the rising cost of living. A remarkable 59% of swing voters report that their incomes are falling behind the cost of living today, and nearly all of the remaining voters say they are just staying even with rising costs (only a tiny minority feel that their income is rising faster than costs). Our economic message must speak directly to voters' pervasive sense that they are losing ground economically.

We engage voters most effectively on the income issue by contrasting average people's stagnant incomes with the large gains enjoyed by the top 1% and CEOs. For example, while 34% of swing voters are seriously concerned that "working people's wages are standing still," that figure rises to 52% for the problem that "working people's wages are standing still, even though CEOs give themselves multi-million-dollar bonuses." And while 37% feel concern that "ordinary people's incomes have flat-lined," concern is seven points higher when we add the phrase "while the incomes of the richest 1% continue to rise."

These kinds of disparities are why Americans believe that the single most important economic goal is to **create an economy that works for everyone, not just the wealthy few**. While voters assign priority to many economic goals, none resonate nearly as strongly as having an economy that works for all Americans. And no critique better matches Americans' perception than the idea that our economic system now benefits only the wealthy and corporations, while the deck is stacked against everyone else.

Swing voters respond very favorably when Democrats speak to this sentiment. For example, in a choice between a Republican who says they will "grow the economy" and a Democrat who says they will "make the economy work for all of us, not just the wealthy," swing voters prefer the Democrat by an overwhelming 22-point margin (61% to 39%). Would Democrats have even more success by calling for an economy that "works for all," but without the sharper-edged contrast of those at the top? To test this idea, half of our respondents heard the same partisan choice but with one change: the words "not just the wealthy" were deleted from the Democratic statement. However, the Democrat committed to making the economy "work for all of us" actually lost to the Republican by 10 points, a net loss of 32

points! Instead of broadening the Democrat's appeal, filing off the populist edge turned out to undermine support for this candidate.

Significantly, it is among the more conservative and difficult to reach groups of swing voters where a populist contrast provides the greatest lift. Democrats gain 42 net points among men, 44 points among voters age 50 and older, and 32 points among GOP-leaning swing voters. **A strong populist contrast is actually even more important for reaching swing voters than the Democratic base.**

### **2. Everyone Economics: A Compelling Message Frame for Democrats.**

**The most compelling economic narrative for Democrats—Everyone Economics—connects stagnant incomes to politicians favoring wealthy special interests and stacking the deck against ordinary Americans. It calls for reforming government so that it works on behalf of average people, not just the wealthy and big corporations. This framing allows Democrats to speak to the many voters frustrated with government's performance.**

Opinion research reveals that the most convincing explanation we can offer voters<sup>1</sup> for the nation's economic struggles is that elected officials too often have looked out for wealthy special interests, rather than ordinary Americans. By a sizable 16-point margin, they say "politicians looking out for the wealthy and big corporations rather than average people" is a larger obstacle to a strong economy than "government spending and taxing too much, and over-regulating business." By contrast, by a four-point margin voters say that government spending and taxing is a bigger obstacle than "big corporations putting profits ahead of workers and the community." A story that focuses only on the shortcomings of the private sector, without addressing the misplaced priorities of politicians, proves less compelling.

This research tested voter reaction to a wide variety of possible economic narratives that could help voters understand the nation's economic challenges and build support for a Democratic economic agenda. The strongest and most compelling story—which we call "Everyone Economics"—ties the challenge of stagnant incomes to the influence of wealthy special interests over politicians, who have stacked the deck against ordinary Americans. It calls for reforming government so that it is accountable to average people, not just the wealthy special interests. Just as voters want an economy that works for everyone, not only the wealthy, so too do they want a government that works for all Americans.

Most importantly, this proves to be a winning message in the political arena. A Democratic candidate conveying this message beats a very strong "small government" Republican by 12 points (56% to 44%) among swing voters—including margins of 18 points among ticket-splitters and 23 points in presidential battleground states—even though these voters begin the survey with more confidence in the GOP to improve their economic situation.

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<sup>1</sup> Among all voters

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Based on this extensive research, we recommend employing the following Democratic economic message frame.

### **DEMOCRATIC ECONOMIC MESSAGE FRAME**

**Too many politicians have given in to the power of corporate lobbyists and changed the rules to make it easier for corporations to lay off workers, keep wages low, and ship our jobs overseas. The incomes of ordinary people have flat-lined, while the incomes of the richest 1% continue to rise. Corporate CEOs and billionaires keep getting new tax breaks, while average Americans live paycheck to paycheck. Too often, politicians have stacked the deck against the middle class.**

**We need to reform government so that it works for all Americans, not just wealthy special interests. We should make improving the incomes of ordinary Americans our first priority—a strong middle class is the way to build a strong economy. Let’s invest in technology, repair our bridges, and create jobs, instead of creating tax breaks for billionaires and loopholes for big corporations. We need to make sure children receive a quality education, and that college and job training are affordable. And it’s time to get big money out of politics, to make politicians accountable to average people.**

**Our leaders should be rewarding hard work and helping level the playing field, not rigging the system for the wealthy special interests. The promise of America is for everyone, not just the wealthy few.**

We call this message “Everyone Economics” because at its heart is an inclusive message. Democrats are calling for an economy where all Americans have a real chance to succeed, rather than siding with one class or group over another. Instead of simply calling for reversing today’s imbalance by favoring the middle class over the wealthy, our message framework poses a contrast between a Democratic commitment to serve the many versus the Republican emphasis on serving the wealthy few.

What concerns Americans is their belief that the system is rigged in favor of the powerful. Voters are angry about corruption and the abuse of political power by those at the top, not jealous of those who are economically successful. *What voters see is that those at the top use their power to gain advantage and prevent others from succeeding.* Americans overwhelmingly agree that “the wealthy, large corporations, and Wall Street have too much political power, which they use to get special tax breaks at the expense of the rest of us.”

Part of the power of Everyone Economics is that it helps protect Democrats against Republicans’ two most common attacks. First, it provides a strong counter to the

conservative attack on Democrats as the party of “big government.” As we have noted, Americans believe the problem with government is not that it is too big, but rather that it caters too much to the interests of the wealthy and the big corporations instead of the interests of average Americans. Democrats can and should speak to voters’ fear that government too often prioritizes the needs of the wealthy over the rest of us. When attacked as “big spenders,” Democrats can respond that the important question today is not how much is spent, but rather on whose behalf money is spent. *Everyone Economics* moves us beyond conservatives’ preferred debate over the size of government by asking who government should work for: corporations and the wealthy, or all Americans?

Second, *Everyone Economics* helps to guard against the charge that Democrats encourage people to become dependent on government. Republicans’ goal is to convince middle-class and working-class voters that they ultimately have more in common with the wealthy than with the poor, and to portray Democrats as caring only about those at the bottom. The power of *Everyone Economics* is that it draws the dividing line at the top instead of the bottom, isolating the wealthy rather than the poor. When a Democrat calls for an economy that works for all of us, *not just the wealthy*, it signals to voters that this candidate will look out for all working people. That is why populist contrasts give Democrats their biggest boost with more conservative voters.

### **3. Winning Economic Issues for Democrats.**

**Voters embrace key elements of Democrats’ economic agenda, especially tax fairness, improving incomes for average people, and investing to create jobs and grow the economy.**

- **Tax fairness policies consistently are our most popular proposals, and tax loopholes for wealthy and big corporations are the best proof points that government too often works for wealthy interests.**

One of the most consistent findings in our economic research in recent years is the strong public demand that the wealthy and large corporations pay their fair share of taxes. An overwhelming majority of swing voters say they would favor a Democrat who favors asking the wealthy and corporations to pay their fair share of taxes over a Republican who opposes raising taxes on anyone. Voters voice strong support for a wide array of progressive tax policies, including the following measures:

- Make sure that millionaires pay a tax rate at least as high as that paid by middle-class taxpayers;
- Close tax loopholes for companies that move jobs overseas, and use the savings to create jobs by investing in roads, bridges, schools, and mass transit;
- End tax breaks for companies that pay huge salaries to their CEOs, and use the savings to make job training and college more affordable so people can get higher-paying jobs;

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- Close loopholes that allow large, profitable corporations to avoid paying taxes.

Remarkably, 53% of swing voters feel that they personally would benefit from progressive tax reform measures such as these, even when the revenue is not connected to any public spending or services.

- **Voters support a range of policies to lift incomes for average people. In addition to addressing wages, Democrats should emphasize their commitment to protecting Americans' retirement security.**

Democrats stand to gain if they give the issue of improving the incomes of ordinary Americans a prominent place in their 2016 campaigns. The following policy initiatives generate especially strong voter support:

- Make sure that people receive equal pay for equal work;
- Crack down on corporations that cheat workers out of pay for hours they have worked;
- Require companies that receive federal contracts to pay a living wage;
- Prevent cuts to Social Security;
- Reform the tax system to encourage companies to share profits with their employees.

- **Voters favor public investments that create jobs and growth. Tie investments to tax fairness to reduce concern over spending.**

The third policy arena where we find strong public support for Democratic initiatives is public investments that create jobs and economic growth. These were the most popular policies tested:

- Increase infrastructure investments that create jobs, such as roads, bridges, schools, and mass transit;
- Invest in clean renewable energy sources to create jobs and reduce dependence on foreign oil
- Increase funding for public schools and require a more equitable distribution of resources;
- Fund more scientific and medical research, to encourage innovation and combat disease.

Tying these kinds of investments to tax fairness proposals can help make swing voters comfortable with Democratic spending priorities. If given a choice between a fiscally conservative Republican and a Democrat who "favors investments in schools, research, and transportation that create jobs," voters divide evenly (50%-50%). But if the Democratic candidate says these investments will be funded by "closing tax loopholes for big corporations and the rich," then the Democrat wins by a decisive 23-point margin (62% to 39%) over the exact same GOP opponent. Swing voters' reservations about government

spending are diminished when Democrats specify that a program will be funded by closing loopholes that benefit the wealthy and/or corporations.

➤ **For Millennials, student debt and affordability of higher education and job training are powerful issues.**

Education issues constitute major challenges and priorities for key subgroups of voters who can be targeted by campaigns. For example, just 16% of all swing voters worry about paying off student loans, but this number skyrockets to 70% for the a quarter of swing voters who have outstanding student loans. Similarly, 17% of swing voters worry about the cost of college, but this rises to 66% if the swing voter is a parent.

Consequently, addressing college affordability and K-12 school quality can be powerful if directed to the right audience:

- Sixty-one percent (61%) of millennials (and 67% of those with student loans) feel they would benefit from more affordable college and job training;
- Seventy-three percent (73%) of voters with student debt would be more likely to vote for a candidate who favored allowing borrowers to refinance their loans and capping monthly payments.

#### **4. Winning the Debate with Republicans.**

**In debating the nation's economic future, we must anticipate voters' concerns about Democrats' approach and performance, and be prepared to respond to the inevitable attacks from Republicans. In this final section, we offer guidance on strategy and language for winning the economic debate.**

**A. Emphasize that improving incomes for average people will increase economic growth and create jobs. We believe a strong middle class builds a strong economy—lifting the incomes of average people is the best way to grow our economy.**

Inevitably, conservatives will respond to a Democratic focus on lifting incomes for average people by claiming that Democratic policies will undermine economic growth, and that growing the economic pie is more important than arguing over its division. This is not an objection that Democrats can afford to ignore, because a "strong and growing economy" remains a top economic goal for voters. We must challenge and reject Republicans' implicit claim that America must choose between growth and fairness. On the contrary, Democrats understand that maintaining an economy where only a wealthy few thrive is a formula for stagnation. Democrats should make the case that improving the incomes of average people is actually the best way to grow the economy. A strong middle class is not just the result of a strong economy, it is the way to build a strong economy.

### **B. In talking about our central goal of improving incomes for average people, the choice of words can matter a lot.**

- Talk about “incomes” more than “wages” to ensure that you reach voters not in the workforce. (Similarly, our policy agenda needs to highlight retirement security, as well as measures designed to lift wages.)
- Voters respond better to calls for “improving” incomes or wages than “raising” them.
- Remind voters of the rising costs faced by average people. For example, making sure that “people are paid enough to support their families” is considered a much more important goal than simply “raising wages and salaries” for working people. This is about working people being able to support their families and having a chance to get ahead, not just making more money.
- Invoke the core value of “rewarding hard work” as a central reason to lift incomes today.

### **C. Go on the offense: Voters worry that Republicans are helping the very wealthy and corporations, not looking out for average Americans.**

Everyone Economics also provides an advantageous way to contrast the two parties and their priorities. Swing voters worry more that Republicans will put the interests of big corporations ahead of the public than that Democrats will put too many unnecessary regulations on businesses. A fight over whose side the two parties are on—working people or the wealthy—provides real opportunities for Democrats. Among the powerful criticisms of GOP candidates we tested were:

- (REPUBLICAN) is helping the very wealthy, but not looking out for average people who are being squeezed;
- (REPUBLICAN) is too beholden to the corporate interests and lobbyists that fund his campaigns.

Tax fairness issues also can be powerful as a way of revealing the skewed priorities of Republican candidates. When we test possible attacks on a candidate for his or her economic positions, defense of tax breaks or loopholes for corporations and/or the wealthy consistently bring the strongest voter response. Voters are quick to believe—and troubled—that a Republican candidate:

- favors large cuts in funding for public education and healthcare to pay for tax breaks for big corporations and the wealthy;
- defends special tax breaks that only the rich and big corporations get.

### **D. In this challenging economic environment, many voters no longer identify as “middle class.” Our message will be more inclusive if it addresses “ordinary Americans.”**

Democrats often describe their economic agenda in terms of helping “middle-class” Americans. However, current research suggests that the “middle-class” label



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actually can narrow rather than expand our appeal. Only at higher income levels do clear majorities of voters consider themselves “middle class.” Candidates can no longer assume that voters will hear promises to help the middle class as addressing their concerns. Instead, voters identify more strongly as “ordinary Americans,” working people,” or as members of “working families.”

At the same time, a good economy is associated with a strong and growing middle class. Voters agree that “a strong middle class isn’t just the result of a strong economy—it’s the way to build a strong economy.”

### **E. Be careful when providing an account of the economy’s ups and downs.**

- Be cautious when expressing optimism about the economy’s direction: “Our economy is going in the right direction, but we need to make sure that average Americans benefit when the economy grows.”
- The nation’s economy got off on the wrong track in about 2001 because policies favored the wealthy and big corporations instead of ordinary Americans. (An economic narrative in which the nation’s economic troubles began in 1980 is less persuasive.)

### **KEY FINDINGS**

**1.** Improving incomes for ordinary Americans must be at the top of Democrats’ economic agenda, as it is for the public. We can engage voters most effectively on the issue by contrasting average people’s stagnant incomes with the gains enjoyed by the top 1% and CEOs. This populist contrast broadens our appeal, while a focus only on the struggles of the middle class actually *reduces* the power of our message. Americans’ top priority is creating *an economy that works for everyone, not just the wealthy few*.

**2.** The most compelling economic narrative for Democrats—Everyone Economics—connects stagnant incomes to politicians favoring wealthy special interests and stacking the deck against ordinary Americans. It calls for reforming government so that it works on behalf of average people, not just the wealthy and big corporations. This framing allows Democrats to speak to the many voters frustrated with government’s performance.

**3.** Voters embrace key elements of Democrats’ economic agenda, especially tax fairness, improving incomes for average people, and investing to create jobs and grow the economy.

**4.** In debating the nation’s economic future, we must anticipate voters’ concerns about Democrats’ approach and performance, and be prepared to respond to the inevitable attacks from Republicans. Use effective language when talking about improving incomes, and emphasize that better incomes for average people will increase economic growth and create jobs.