

The Battleground 2008

May 2008

Democratic Strategic Analysis:

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While the chasm between the Republican Party and the American people has perhaps never been greater, there is one point they may be able to agree on: 2008 is shaping up to be a year most would rather forget. With the election less than 6 months away, voters continue to punish President Bush and his Republican Party for 7½ years of failed policies on the economy, foreign affairs, and the war. At no point in recent memory has the public been so utterly dissatisfied with the direction of the country and a sitting President. While Democrats are not absolved from the public's ire, voters reserve their harshest criticism for the Republicans and their leader in the Oval Office. As a result, Democrats have opened up a double-digit lead over their Republican counterparts on the generic Congressional ballot, putting them ahead of where they were at this point in 2006. The Democrats own commanding advantages on the issues that matter most to voters right now: jobs and the economy, the war in Iraq, health care, and gas and energy prices. More sobering for the GOP, swing voters are breaking for the Democrats in even larger numbers.

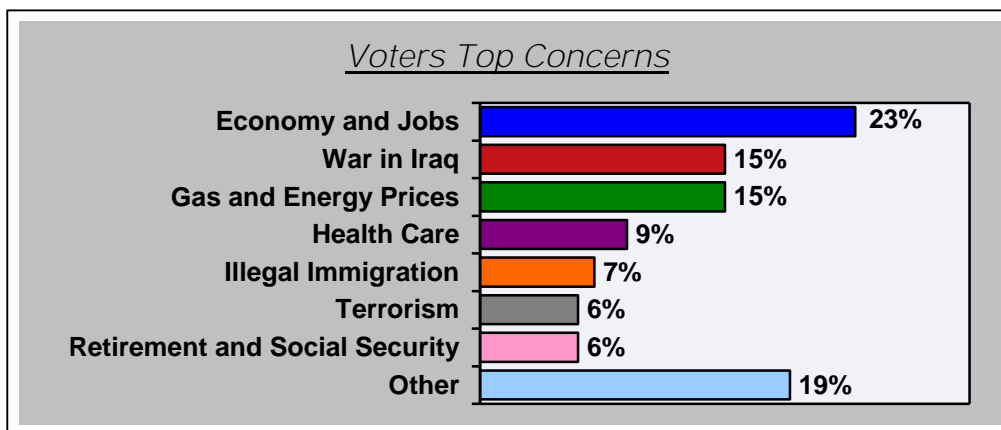
If this were not enough, despite a bruising primary season that still is not over, Barack Obama is leading John McCain in the race for the Presidency. While Obama certainly has a long way to go before he can consolidate a winning margin – John McCain is a formidable candidate on numerous fronts – he is well positioned on the key dimensions of electoral strength and Presidential leadership. At this early point in the race, Obama wins independents by a wide margin (despite the media dialogue); he wins women and Hispanics ahead of their Democratic Party identification margin; he wins the Midwest and even rural areas; and most important, he wins the “change” vote. But the race is tight, voters can be fickle, and thus the challenge for Obama is to build on these budding advantages by advancing a compelling message of change and a firm plan of action that speaks convincingly to the anxieties and the aspirations of an American people desperately looking for real change.

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THE CONTEXT: RECORD PESSIMISM ABOUT DIRECTION OF COUNTRY, ECONOMY, IRAQ, AND ON ACHIEVING THE AMERICAN DREAM

President Bush and the Republican Party have yet another grim milestone to add to their collection: at no other time in recent history have so *few* Americans expressed confidence in the direction of their country. Over three-quarters (77%) say the country is pretty seriously off on the wrong track (this is up from 71% in December, 2007), including a whopping 64 percent who feel this way strongly. Only 17 percent say the country is headed in the right direction (this is down from 21%), including only 8 percent who say so strongly. Further, **majorities of every demographic and partisan subgroup say the country is headed off on the wrong track**, including 95 percent of Democrats, 86 percent of independents, and even a 55 percent majority of Republicans.

Driving voters' frustration about the direction of the country is a flagging economy that is working for only an elite few. This is expressed conspicuously and most painfully in gas prices that hover near \$4 a gallon, as well as in skyrocketing health care and food costs, wages that don't keep pace, and a mortgage and bankruptcy crisis that has yet to bottom out. When voters are asked what they would most like Congress to address, pocketbook economic issues dominate their issue agenda. Overall, close to a quarter (23%) most want Congress to deal with the economy and jobs (up from 19% in December), including pluralities across the political spectrum (27% of Democrats, 22% of independents, and 19% of Republicans). This is followed by gas and energy prices (15%, up from 4%), the war in Iraq (15%, up from 13%), and health care (9%, down from 11%). Looking at the economy specifically, gas and fuel costs are voters' top of mind concerns (22%), followed by health care costs (14%), the lack of good jobs (11%), the budget deficit/debt (11%), and daily expenses (10%).



A solid majority now rates the economy in the bleakest terms (56% “poor”), up an astounding 20 points from our last survey in December of 2007, followed by another 30 percent who rate the economy as “just fair.” Only 14 percent are able to summon positive feelings about the economy (down from 26%). Virtually unanimous margins of Democrats (96% “poor/fair” to 4% “excellent/good”), and independents (90% to 9%) now rate the economy negatively, as do an overwhelming majority of Republicans (74% to 26%). Voters' views on the economy are better when asked about their *own*

personal economic situation, but only when compared to their even more grim assessment of the economy as a whole. A majority offers a negative rating here too: 52 percent “fair/ poor” to 48 percent “excellent/good.”

As we head into the final six months of the 2008 election season, the political environment could hardly be worse for the GOP. Despite the Democratic takeover of Congress in 2006, nearly half (48%) of voters say the Republican Party still controls the federal government, compared to just three-in-ten who say the same of Democratic Party. Both Democrats (74% Republican control, 11% Democratic control) and independents (41%, 22%) are more likely to point to the Republican Party, while Republicans (wishingly? prophetically?) say the Democrats are in control (25%, 53%). **As a result, voters lay much of the blame for the abysmal economic record of the Bush years at the feet of the GOP.** The Democrat wins the generic Congressional vote decisively among those who cite jobs and the economy (+24), health care (+43), the lack of good jobs (+32), daily expenses (+36), and gas and energy prices (+4) as key concerns facing the nation, as well as among those who say the country is pretty seriously off on the wrong track (+32).

More sobering, voters’ pessimism about the economy is not only centered on cyclical bread and butter issues like the cost of a gallon of milk or a tank of gas – it touches on the very foundations of the American Dream, which Americans increasingly believe is slipping away from themselves and their children. Over seven-in-ten (72%) agree with the statement “the economy makes it too tough for the middle class to make ends meet,” including majorities of Democrats (88%), independents (72%), and even Republicans (56%), compared to 26 percent who disagree with this statement. Further, 65 percent disagree with the statement “the next generation will be better off economically” compared to just 30 percent who think the next generation has a bright future.

Particularly foreboding for candidates running on the Bush record, independents (72% disagree) are even more likely than Democrats (68%) and Republicans (59%) to think the next generation has a tough road ahead. Only a little more than one third (36%) of voters say their children will be “better off”, while 61% believe their children will be “about the same” or “worse off”. This pessimism continues among both college and non-college voters (only 36% of both groups believe their children will be “better off”).

The lone bright spot on an otherwise gloomy economic forecast is that most voters are actually optimistic about their finances 5 years from now, and they continue to believe hard work is rewarded in America. Fully two-thirds (67%) agree with the statement “I am optimistic about where I will be financially five years from now,” and a similar percentage (65%) agree, “in America, anyone can get ahead if they work hard enough.” Republicans are the most optimistic (77% and 82%, respectively), followed by independents (60% and 59%) and Democrats (60% and 51%). Perhaps these voters, who give Democrats wide advantages on the key economic metrics, suspect that a Democratic presidency after November portends decidedly better economic times.

Compounding America's economic woes, the war in Iraq continues to sap billions weekly from the public coffers. Voters now understand the tradeoff exacted by the Bush Administration and the GOP since 2003 – money that could be used to rebuild America, to get the economy back on track, is instead being used to police and rebuild Baghdad. A majority are now consistently saying the war in Iraq is no longer worth fighting (56%, up from 52% in December), including 87 percent of Democrats and 63 percent of independents. Underscoring the detachment of the Republican base from the rest of the country, three-quarters (75%) of Republicans think the war is still worth fighting.

Despite Republican cheerleading of the effect of the troop escalation in Iraq, fewer Americans believe things have “gotten better” in Iraq than at the end of last year (now 32%, down from 43%), compared to a strong majority that says the 5-year war is either a stalemate (35% “stayed the same”, up from 30%) or has actually “gotten worse” (30%, up from 23%). Among independents, 68 percent believe things in Iraq have either “stayed the same” (32%) or “gotten worse” (36%).

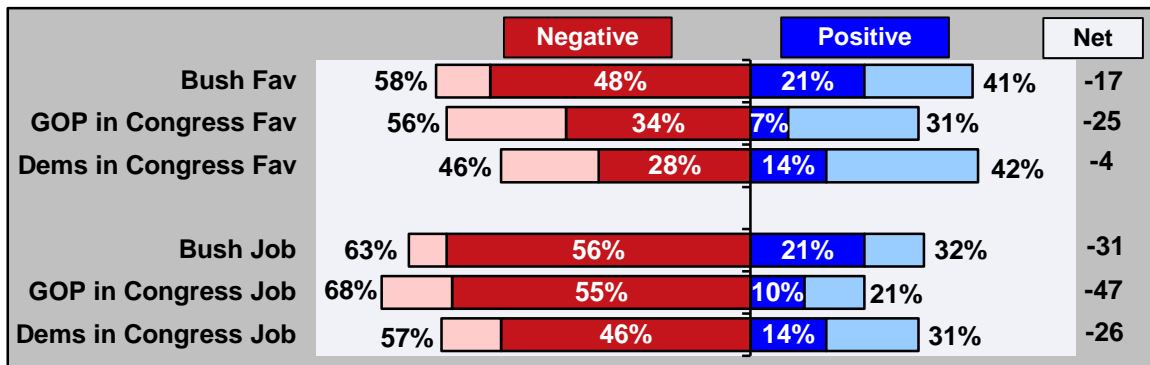
Given these trends, it is hardly surprising that 58 percent favor setting a date to withdraw the troops, though only a quarter (25%) want the troops home *immediately*. Forty percent are willing to stay in Iraq until the situation stabilizes. Majorities of Democrats (82%) and independents (64%) favor a timeline for withdrawal, while Republican support for a timeline stands at only 29 percent. In fact, voters' appetite is so diminished for another Bush invasion of a Middle East country that only a third would support military action against Iran *if it was discovered that Iran had developed nuclear weapons* (38% “unsure,” 29% “oppose”). **Ultimately, it is the Republican Party that is paying the political price for the foreign policy disaster they created: the majority of voters who says the war is no longer worth fighting breaks for the Democrat on the generic presidential ballot by 77 points!**

VOTERS CRITICAL OF WASHINGTON ESTABLISHMENT, WANT CHANGE

Voters are fed up with the status quo in Washington, and place the blame for inaction on the war in Iraq, the mortgage crisis, the looming recession, and skyrocketing costs of gas and food on our nation's lawmakers. While voters' reserve special anger for Bush and his Republican Party, even Democrats are not spared the public's ire.

President Bush continues to be a drag on Republicans down the ballot – demonstrated for the third time by a Democratic special election victory on what had been considered safe turf for the GOP. Nearly two-thirds (63%, up from 61% in December) disapprove of Bush's job performance (56% strongly disapprove), including 94 percent of Democrats (4% approve), 76 percent of independents (17% approve), and even 26 percent of his own Party (67% approve). Overall, just 32 percent of voters approve of Bush's job (21% strongly approve). Voters are nearly as critical in their opinions of Bush in terms of their personal affect. Fifty-eight percent (up from 55% in December) hold an unfavorable impression of Bush (48% strongly), including 91 percent

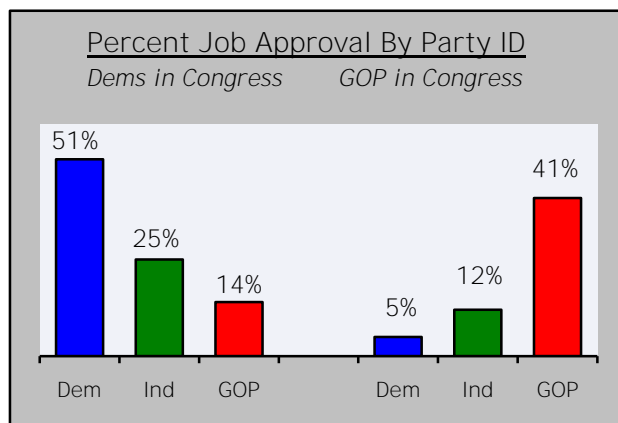
of Democrats (8% favorable), 67 percent of independents (29% favorable), and 19 percent of Republicans (79% favorable). Overall, just 41 percent of voters have a favorable opinion of the President (21% strongly).



Ironically, the one brand that is rated worse than Bush is the Congressional GOP. Sixty-eight percent (up from 61% in December) disapprove of the GOP’s job performance in Congress (55% strongly disapprove), compared to just 21 percent who approve of the GOP’s job (10% strongly). Fully 86 percent of Democrats, 76 percent of independents, and a strong plurality (47%) of Republicans give the GOP a negative job rating. In fact, more Republicans disapprove of their Party than approve (41%).

As is the case with the President, voters’ critical assessment of the GOP’s job performance is influencing their affect toward the Republican Party as well. A majority (56%, up from 51%) holds an unfavorable impression of the GOP in Congress, including eight-in-ten Democrats (8% favorable), 63 percent of independents (20% favorable), and 28 percent of Republicans (58% favorable). Just 31 percent of voters hold a favorable impression of the Congressional Republicans (7% strongly).

While Democrats are not punished to the same degree as their GOP counterparts, they cannot escape the public’s unhappiness with Washington. A majority (57%, up from 54%) disapproves of the way the Democratic majority is doing its job in Congress, compared to just over three-in-ten (31%) who say the Democrats are doing a good job (14% strongly). A majority of Republicans (75% disapprove, 14% approve) give the Democrats in Congress negative job marks, and a noticeable number of the Democratic Party’s faithful disapprove of the job Congressional Democrats are doing (38% disapprove, 51% approve). Independents are more negative toward the

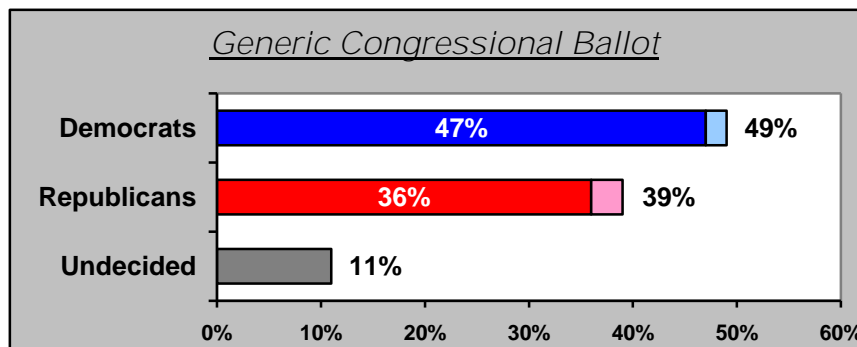


Republicans in Congress (76% disapprove, 12% approve) but they give the Democrats decidedly bad ratings too (62% disapprove, 25% approve).

Looking at the Democrats in terms of affect, voters are slightly more benign: Democrats sport a roughly equal favorable to unfavorable ratio (42% favorable, 46% unfavorable). Republicans are the most critical (17%, 72%), followed by independents (33%, 51%) and Democrats (69%, 19%). Comparing the images of the two Parties among independents, Democrats have a 13-point advantage in their favorable ratings over Republicans (33% favorable and 20% favorable, respectively). In addition, Democrats are 11 points more likely to have a favorable impression of their own Party than Republicans are of theirs (69% favorable, compared to 58% favorable).

THE MICROCOSM OF MISSISSIPPI'S 1ST – CONGRESSIONAL DEMOCRATS OPEN UP A DOUBLE DIGIT LEAD OVER THE GOP NATIONALLY

Against the backdrop of Democratic victories in three of three open-seat special elections in heretofore Republican-held districts, Democrats nationally have begun opening up a commanding lead over the Republicans on the generic Congressional ballot. In our last two Battleground surveys (July and December, 2007), Democrats led the GOP by 7 and 5 points, respectively. In September of 2006, just a little more than a month before the Democrats took Congress back in a landslide, Democrats held an 8-point advantage on the Congressional ballot. **Currently, Democrats lead the GOP by 10 points, 49 percent (47% solid) to 39 percent (36% solid), with 11 percent undecided.** Even by the most conservative turnout estimates, Democrats are ahead by 10 points, and this is shaping up to be anything but a low turnout election.



Regionally, Democrats continue to lead in the most pivotal battlegrounds, including the Northeast (+15), Midwest (+7), South (+12), West (+16), South Central (+1), and Central Plains (+3), as well in contested states (+12), contested CD's (+6), and even rural areas (+5). Republicans own only a 2-point advantage in the Mountain States and a 3-point advantage in CD's won by Bush by more than 55 percent of the vote in 2004. Among key demographic subgroups, Democrats command advantages among Hispanics (+37), independents (+20), women (+15), unmarried men and women (+28 and +29, respectively), married women (+3), self-described moderates (+48), and female

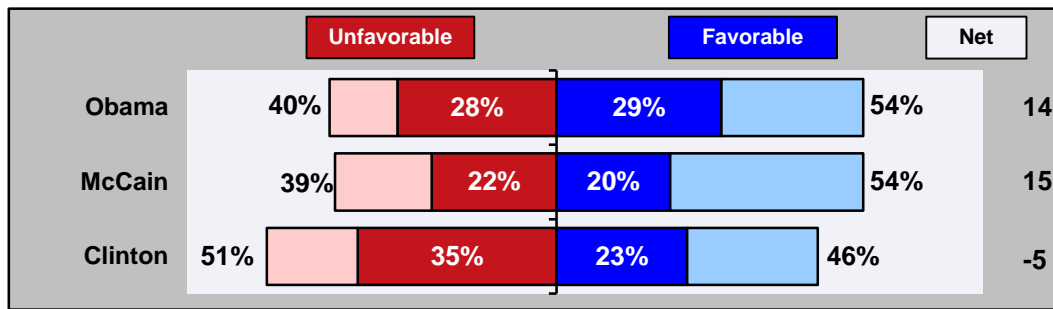
evangelicals (+4). **Democrats also lead or tie Republicans among every age and education cohort.** In contrast, Republicans take white men (+11), self-described conservatives (+31), married men (+6), weekly churchgoers (+7), and male evangelicals (+19), but these are much smaller than their usual margins.

Most importantly, Democrats enjoy a more energized base, successfully converting 92 percent of their Party faithful, compared to 82 percent of the same for Republicans. We saw this in the previous Battleground survey in December, but it rarely happens this early in the election season.

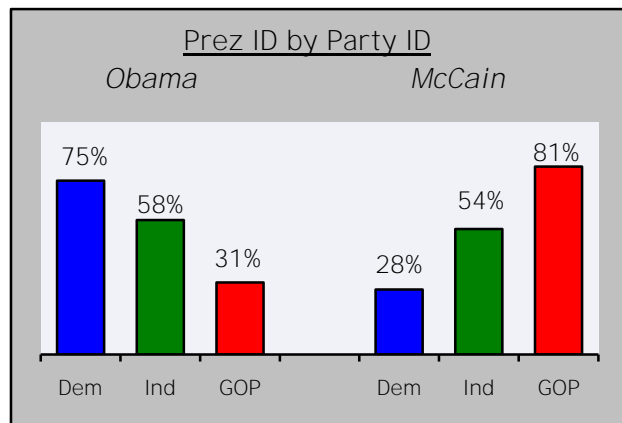
The undecided vote is small at 11 percent, and they promise to be a battleground this cycle, as they are every cycle. These voters are decidedly pessimistic about the direction of the country (71% wrong track), cite the economy and jobs (19%) and gas and energy prices (18%) as their top concerns. They are equally critical of both Parties' job performance (58% disapprove for each), as they are of Bush's job performance (56% disapprove). Demographically, undecided voters are more likely to be women, over the age of 45, without a 4-year college degree, independent and Republican, conservative, and white. Of this 11 percent of the electorate, seven-in-ten are older than 45 (27% under 45), 72 percent are self-described conservatives (22% liberal, 7% moderate), 43 percent are Republican (38% independent, 18% Democrat), six-in-ten are reliable Republican voters (28% reliable Democrats, 12% ticket splitters), 60 percent are women, 89 percent are white (5% Hispanic, 6% "other"), a slim majority are born again/evangelicals (52%), 59% are weekly churchgoers, and six-in-ten (60%) are married (27% no longer married, 12% single). They have more positive feelings toward John McCain (64% favorable) than they do toward Barack Obama (45%) and Hillary Clinton (40%), and they strongly support McCain in head-to-head ballots (57% to 21% against Obama, 64% to 22% against Clinton).

IMAGES OF THE PRESIDENTIAL CONTENDERS – OBAMA, MCCAIN IN GOOD STEAD AS GENERAL ELECTION CAMPAIGN KICKS INTO FULL GEAR

In the intervening months between our last Battleground survey, much has changed in the Presidential contest. Hillary Clinton and Rudy Giuliani were the clear frontrunners, Mike Huckabee was just catching a wave in Iowa (soon to crest), Barack Obama was not considered a serious threat to Clinton's "inevitability", and the pundits were dotting their "i's" and crossing their "t's" on McCain's political obituary. Today, Obama and McCain are the presumptive nominees of their respective Parties, and despite the long, hard slog that has characterized the Democratic primary, Obama starts out in good shape vis-à-vis McCain: his favorability mirrors McCain's and voters give him decided advantages on most of the key leadership metrics defining this race.



On the Democratic side, Barack Obama retains much of the luster that propelled him to the front of the pack. Ninety-four percent (94%) of the public has a substantive opinion of Obama (up from 86%), and a solid majority (54%) holds a favorable impression of him (29% very favorable). Four-in-ten (up from 33%) hold an unfavorable opinion of Obama (28% very unfavorable). Three-quarters (75%) of Democrats, 58 percent of independents, and 31 percent of Republicans are favorable toward Obama (21%, 35%, and 62% unfavorable, respectively). Notably, Obama is viewed net-favorably by all major racial subgroups, including whites (+1), Hispanics (+29), and Blacks (+86). His image is also positive among women (+17), particularly younger women (+25). The central challenge for Obama at this point is consolidating the Democratic base.

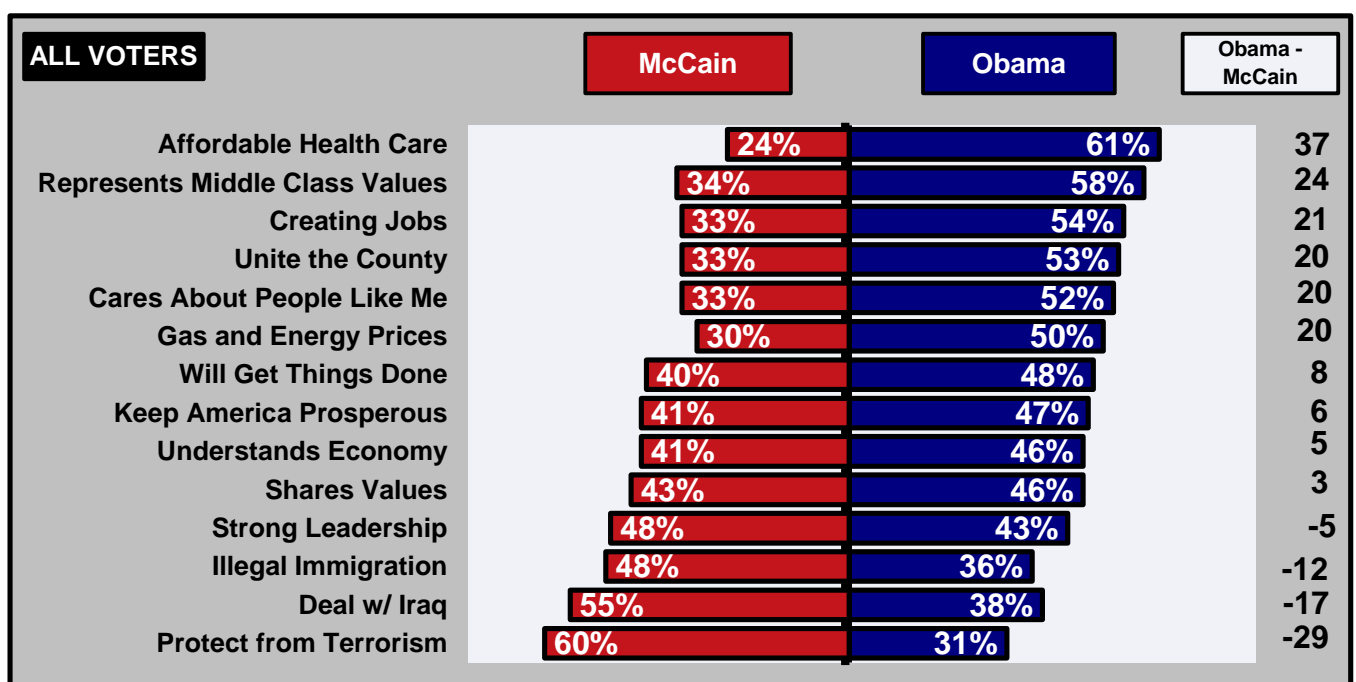


On the Republican side, John McCain commands similar overall favorability ratings (54% favorable, 39% unfavorable), which is down slightly from 58 percent at the end of last year. Ninety-four percent hold an opinion of McCain. Vis-à-vis Obama, there is noticeably less intensity to voters' assessment of McCain (21% very favorable, 22% very unfavorable). **Independents are slightly less favorable toward McCain than Obama (54%, 39%), while Democrats – the plurality of whom expressed warm feelings toward McCain in December – are now decidedly net-unfavorable toward him (28%, 63%).** Despite recriminations on the Republican side, fully 81 percent of Republicans hold a favorable impression of John McCain (15% unfavorable). In terms of commanding the loyalty of his Party, McCain bests Obama. However, McCain still faces the challenge of broadening his appeal to critical swing groups, such as Hispanics, who are 22 points net-unfavorable toward McCain (Obama is currently 29 points net-favorable among Hispanics), as well as among women (+12 to Obama's +17).

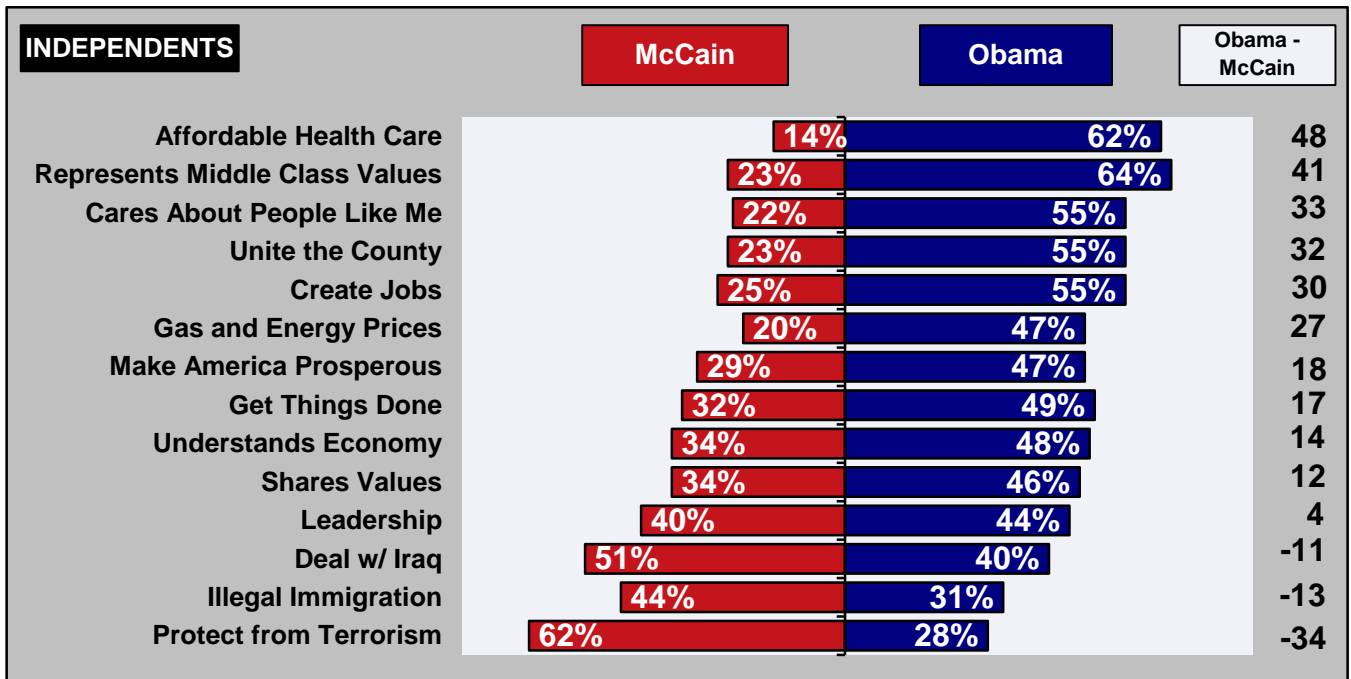
Voters are more divided in terms of opinions of **Hillary Clinton**. Forty-seven percent hold a favorable opinion toward her, while over half of voters (51%) hold an unfavorable personal opinion of Clinton, including over one-third (35%) who are "very unfavorable" toward her, compared to 46 percent who have an favorable impression of

her (23% very favorable). A slight majority of independents (52%) offer an unflattering assessment of Clinton (44% favorable). Democrats like both nominees, though Obama is slightly more popular; Clinton's ratings among Democrats are 73 percent favorable, 24 percent unfavorable. As we have seen in the past, Republicans are very polarized: 20 percent feel favorably toward Clinton, while 77 percent are unfavorable.

Looking at the leadership traits voters associate with the Presidential candidates, Obama leads McCain on the dimensions that are currently driving this race, including making health care affordable, creating jobs, uniting the country, reducing gas and energy prices, and representing middle class values. McCain leads Obama by wide margins on traditional Republican strengths, such as terrorism, dealing with Iraq and illegal immigration. Notably, the candidates are close to one another on "making American prosperous" and "understands the economy."



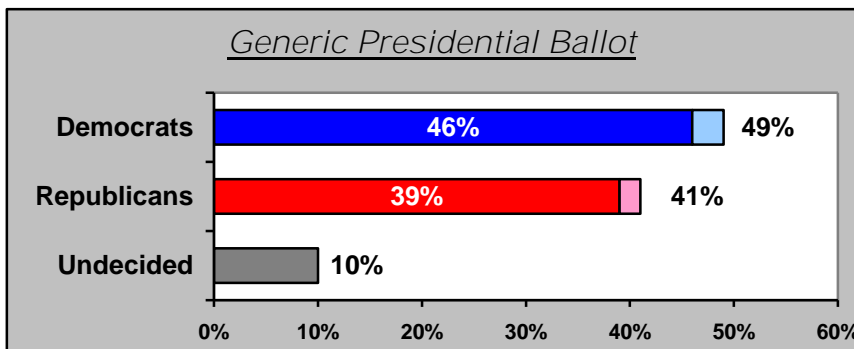
Independents give Obama a modest bump on most dimensions of leadership. These critical swing voters see Obama as the candidate who can unite the country, create jobs, make gas and health care more affordable, and represent the middle class. These voters also give him the edge over McCain on getting things done, making America prosperous, and understanding the economy. McCain's holds slimmer advantages among independents on dealing with Iraq and illegal immigration, and protecting the country from terrorism. While the McCain campaign will try to keep this election centered on security issues, as we saw last week, Obama is eager to challenge McCain and the Republicans on their disastrous job of safeguarding the nation – something few Democratic standard-bearers have been willing to do in the recent past.



THE RACE FOR THE WHITE HOUSE IS WIDE OPEN: OBAMA LEADS MCCAIN, CANDIDATES SPLIT KEY BATTLEGROUND

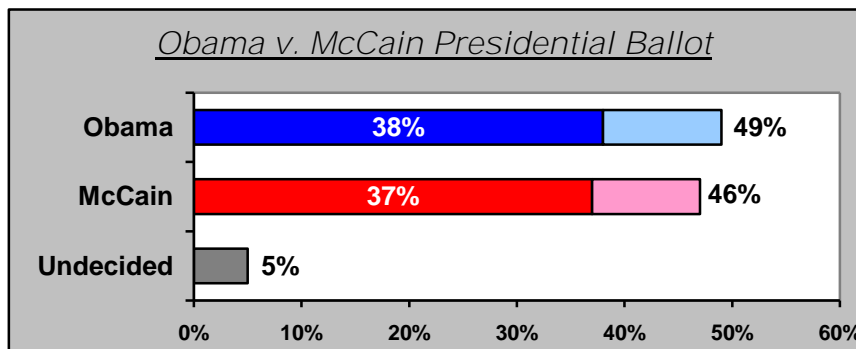
While the Democrats' drawn-out nominating battle has tested Obama, he heads into the general election campaign with advantages in some of the most important battlegrounds – independents, women, and Hispanics voters. But in a race that some predicted would be a cakewalk for any candidate with a “D” next to his or her name, the 2008 Presidential contest will likely be very competitive.

In the generic Presidential ballot, the Democrat has opened up a sizeable 8-point lead over the Republican, 49 percent to 41 percent, with just 10 percent undecided (this is up from 47% to 41% in December). The Democrat also enjoys an advantage in strong support (46% to 39%), which is also up from 42% and 37% in our last survey, respectively. Independents break for the Democrat by 18 points (46% to 28%, with 26% undecided).



But the presidential race is no longer a hypothetical match up between two unnamed candidates. This is a race between Obama and McCain, and on this measure the Presidential race is wide open. **Obama overtakes McCain by 3-points, 49 percent to 46%, with a miniscule 5 percent undecided – a statistical dead heat.** Obama leads McCain in terms of strong support, 38 percent to 37 percent, but again this is within the margin of error. McCain converts 90 percent of Republicans (8% defect to Obama), compared to 85 percent of the same for Obama (10% defect to McCain). One-fifth of Clinton supporters say they will not support Obama if he is the Democratic nominee (18% of Obama supporters say the same of Clinton).

However, McCain may have more of a problem in the long run than either Obama or Clinton. Despite the intense media focus on divisions within the Democratic Party, it is the GOP that faces a demoralized base, still unhappy with their presumed nominee months after the Republican primary has concluded. **Over three-quarters of Democrats (76%) are satisfied with the candidates for President, compared to just over one-third of Republicans who feel the same way (39%).**



Obama and McCain split the key regional and demographic battlegrounds. Regionally, Obama leads in the Midwest (+19), Central Plains (+4), and West (+6), as well as in rural areas (+2), urban areas (+14), and in contested states (+6). In contrast, McCain takes the Northeast (+5), South (+3), South Central (+4), and Mountain States (+10), as well as suburban areas (+4).

The gender, age, race, and marriage gaps are clear fault lines in the 2008 Presidential race. Obama is the preferred candidate of women (+12), particularly college-educated women (+14) and unmarried women (+27), but he also takes non-college educated women (+5), unmarried men (+8), and pulls into a statistical tie among married women (+1). Men prefer McCain by a slightly smaller margin (+10 overall; +12 college men, +6 non-college men, and +17 married men). Obama is the clear favorite among younger voters, particularly women under age 55 (+19) – the largest gender/age cohort (Obama also leads among older women by 4 points). The candidates pull into a tie among voters aged 45-64, and McCain noticeably opens up solid leads among seniors (+11) – despite seniors leaning toward the Democrats by 1 point in terms of Party identification. We would note that Obama and Clinton lose seniors by the same 11-point margin. McCain takes older and younger men by similar margins (+11 and +9, respectively).

Swing voters break for Obama – despite assertions that McCain and even Clinton were the stronger candidates among these voters. Among crucial independents, Obama commands a majority of the vote and a 14-point lead (51% to 37%, with 12% undecided). Among self-described moderates, Obama leads by 10 points (50% to 40%, with 10% undecided). McCain, however, does own leads among the small proportion of undecideds on the generic Congressional and generic Presidential ballots (+36 and +8, respectively). Among Hispanics – a pivotal yet tenuous demographic battleground for both candidates – Obama effectively doubles McCain’s level of support (67% to 33%). While McCain takes white men by a comfortable margin (+23), Obama pulls within striking distance among white women (-9). Finally, Obama wins every religious cohort, save weekly church attendees (-14) and male evangelicals (-31).

Looking at the issues on which the Presidential race will likely hinge – the economy and the war in Iraq – Obama takes sizeable leads, though he has room to consolidate the “change vote.” Among voters who say the country is pretty seriously off on the wrong track, Obama bests McCain by 23 points (down from +32 on the generic Presidential ballot). Obama opens up commanding leads among voters who cite the war in Iraq (+46, down from +57), health care (+25, down from +43), and the economy and jobs (+16, down from +24) as the top issues facing the nation. McCain takes voters who say gas and energy prices are their top concerns (+12, compared to -4). Finally, Obama leads decisively among voters who say the war in Iraq is no longer worth fighting (+53, down from +64).

In conclusion, Obama is well positioned to capture the White House in November, but he has a great deal of work ahead of him. That Obama is only leading McCain by single-digits on several dimensions of leadership and on the economy should be cause for alarm, given his opponent’s reputed and admitted incomprehension of the economic theories underpinning America’s economy (though he does own a copy of Alan Greenspan’s book, he has countered). Obama could also benefit by engaging McCain on the issue of Iraq, as he is underperforming among voters who say the war in Iraq is no longer worth fighting. Given his initial opposition to the war, voters’ anxiety about an unending and economically devastating U.S. presence in Iraq, and the GOP diminishing advantages on matters of national security, he should be able to gain additional ground among these voters. The candidate, who best speaks to these issues and the voters desire for solutions, vigorous leadership, and – most importantly – change, is the one who will win voters’ loyalty at the ballot box in November.