

NDN:

Economic Strategies & Globalization



Benenson Strategy Group

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November 8, 2007

Methodology

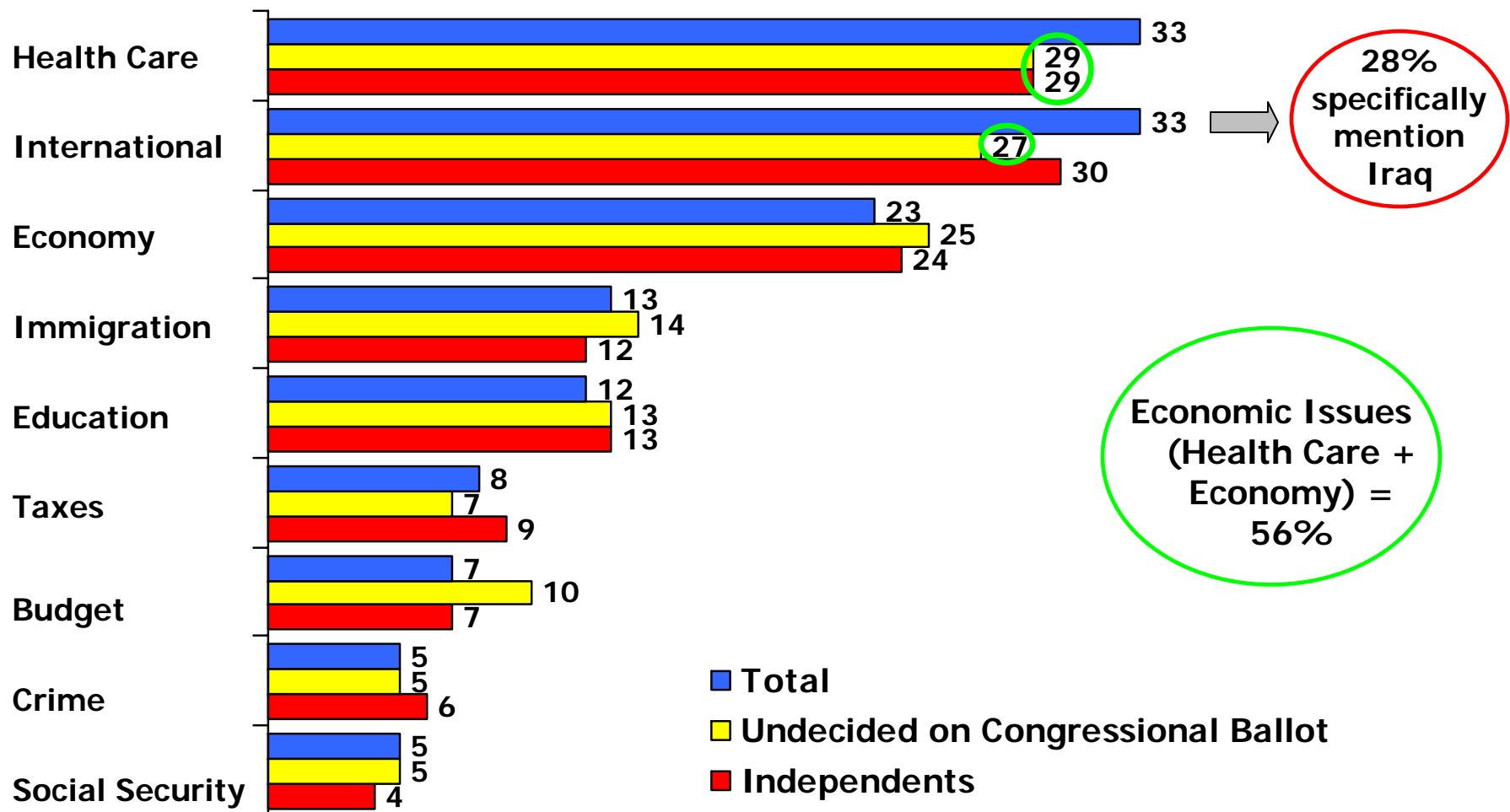
- ❖ The Benenson Strategy Group conducted 1201 telephone interviews of likely voters nationwide between October 8th and October 15th, 2007.
- ❖ The margin of error is $\pm 2.83\%$ for the entire sample at the 95% confidence level and is higher among subgroups.
- ❖ All numbers displayed are percentages.
- ❖ Eight focus groups with a total of 69 respondents were conducted in Cleveland, OH, Fairfax, VA, Denver, CO and San Francisco, CA from September 12 – 20, 2007. Groups were separated into two types - white, middle-class likely voters with no more than a college education, and upper-middle class “opinion-leader/elite” voters with a demonstrated interest in news and current events. In each city, one group consisted entirely of men and one entirely of women.

Key Findings

- ❖ Lack of confidence in the economy or the economic leadership of the GOP
- ❖ But neither party is seen as offering a better way to grow the economy
- ❖ One key challenge is addressing the impact of globalization
 - Current choice seems to be: soften the impact or ignore it
 - The real choice: soften or find how we succeed under it
- ❖ Optimism is under siege but Americans see a key strength that usually makes Americans uniquely able to bounce back: our freedom of ideas and capital
 - Ideas are seen as a key source of jobs
 - Business knows this, but policy makers are seen as less responsive
 - Because the profit motive drives new ideas, most say central to our success is making sure trade agreements ensure that innovation is rewarded.
- ❖ Support for an innovation-based agenda fits in a larger agenda that includes:
 - Making health care more affordable;
 - Developing alternative forms of energy;
 - Addressing the budget deficit (but notably concern about the need to invest in education, health care, and innovation trumps the need to address the deficit);
 - Helping companies protect ideas and innovations.

Health care and Iraq are top issues, economy follows

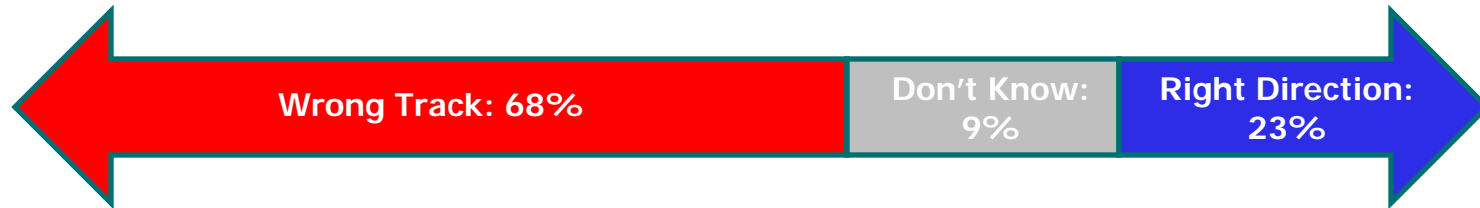
MOST IMPORTANT ISSUES CONGRESS SHOULD FOCUS ON



What two or three issues or problems would you say are the most important things that your Member of Congress should focus on?
 (Open end, NET Responses 5% and higher shown) Q9

Voters are pessimistic about the direction of the country and their leaders

DIRECTION OF THINGS IN THE COUNTRY

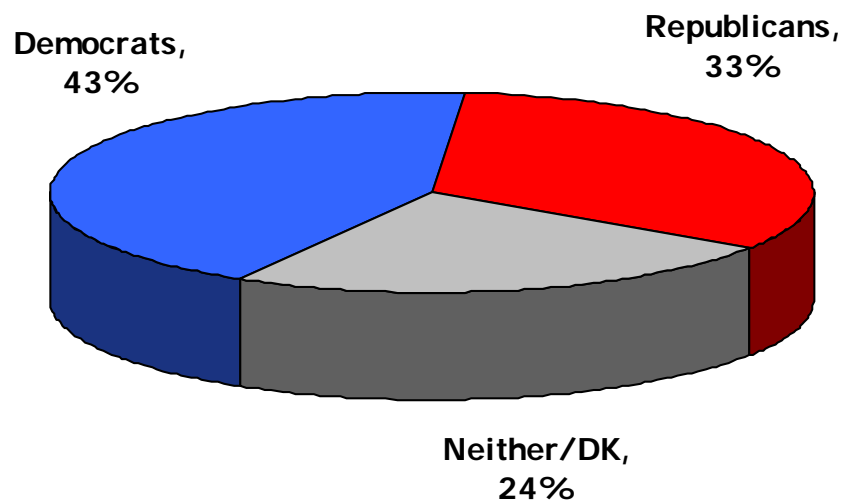


JOB RATINGS

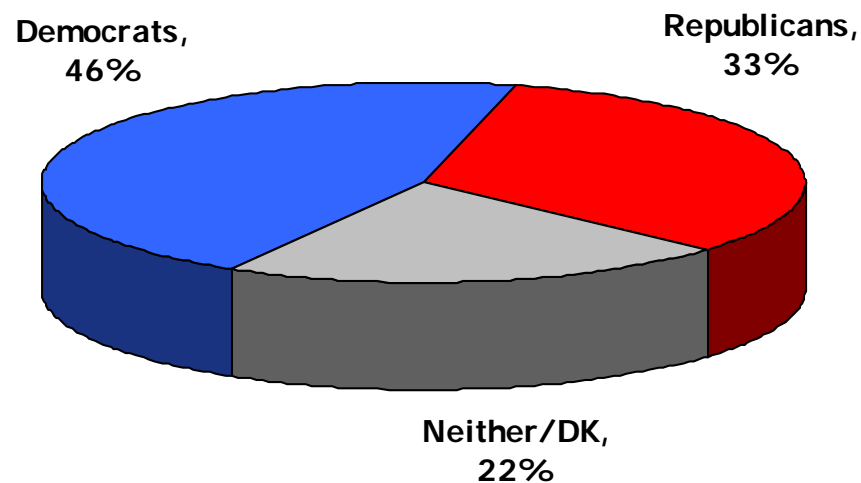
Job Ratings	President George Bush	Democrats in Congress	Republicans in Congress
EXCELLENT/GOOD	29	19	15
Excellent	7	2	1
Good	22	17	14
FAIR/POOR	71	78	82
Fair	23	45	41
Poor	48	34	41

Double digit Democratic lead for Congress and President

Generic Congressional Vote



Generic Presidential Vote



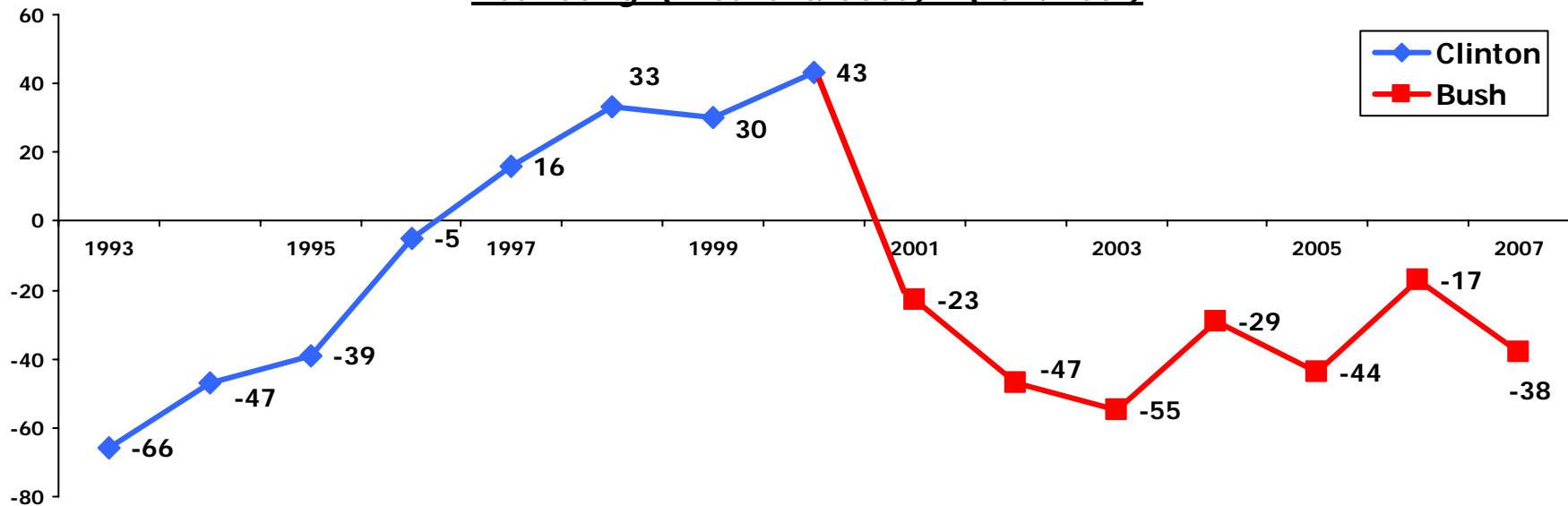
2/3 give the economy a negative rating, consistent with negative economic ratings throughout Bush Presidency

Rating of the U.S. Economy

EXCELLENT/GOOD	32
Excellent	6
Good	27
FAIR/POOR	67
Fair	39
Poor	28

Rating of the Economy Over Time (Source: Gallup)

Net Rating: (Excellent/Good) – (Fair/Poor)

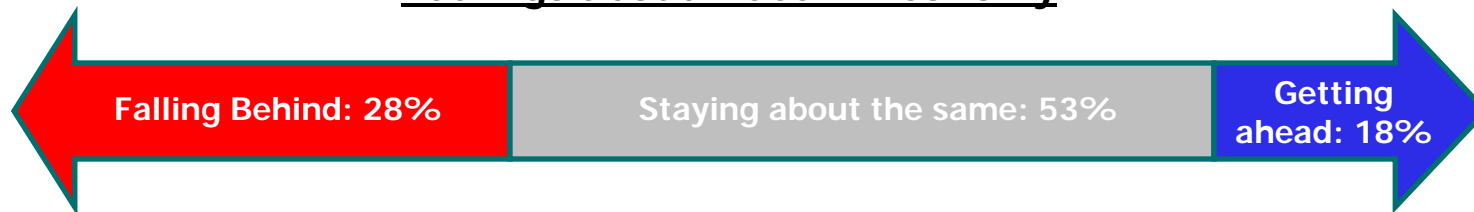


How would you rate the condition of America's economy today? Q19

Gallup Question: How would you rate economic conditions in this country today -- as excellent, good, only fair, or poor?

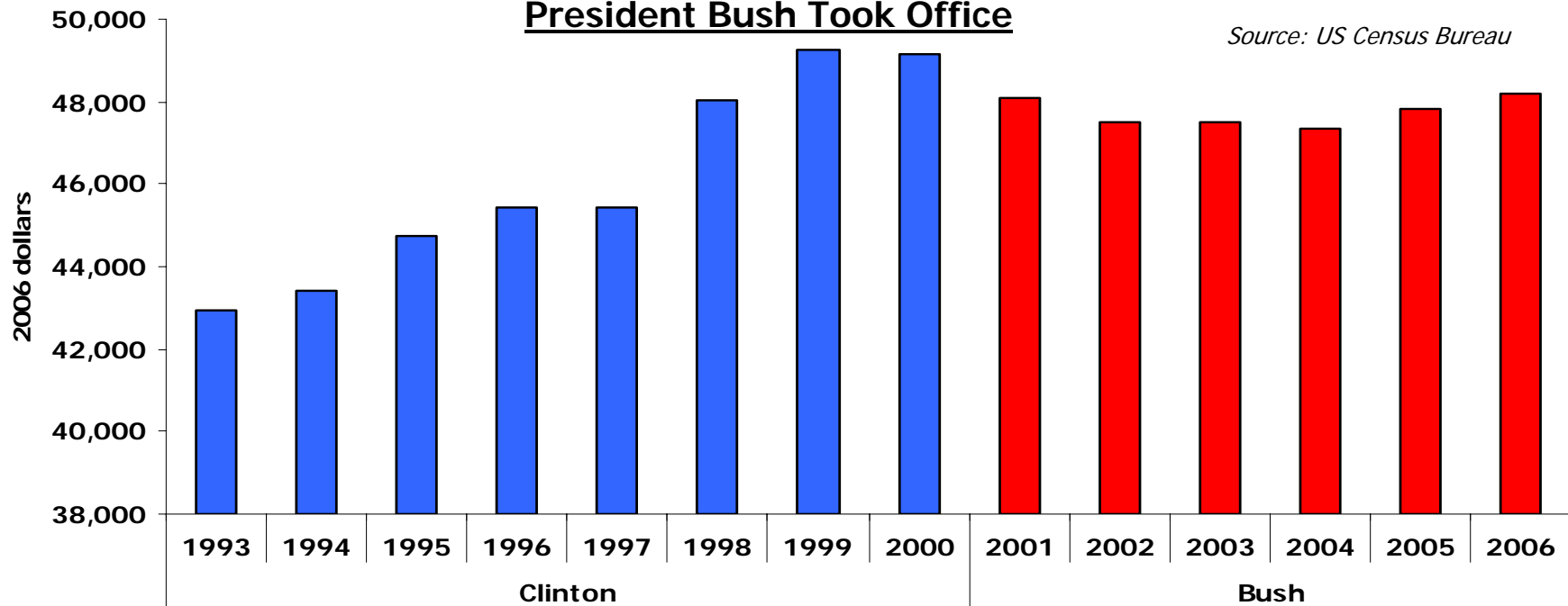
Only 18% are getting ahead, consistent with median income decline since 2000

Feelings about Place in Economy

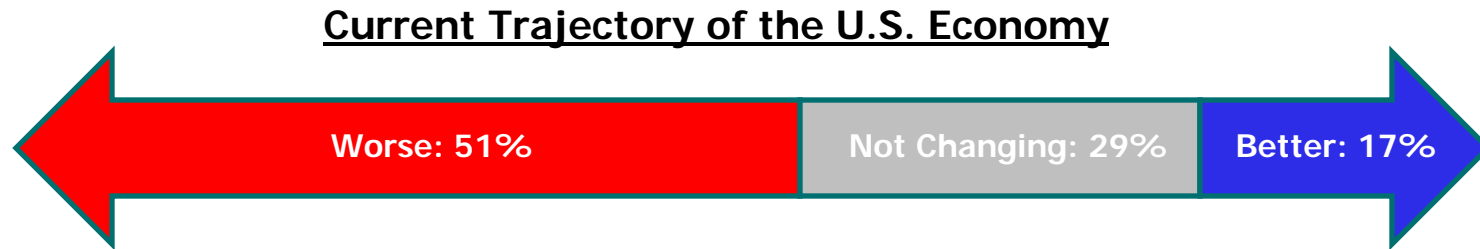


Median U.S. Household Income Has Declined President Bush Took Office

Source: US Census Bureau

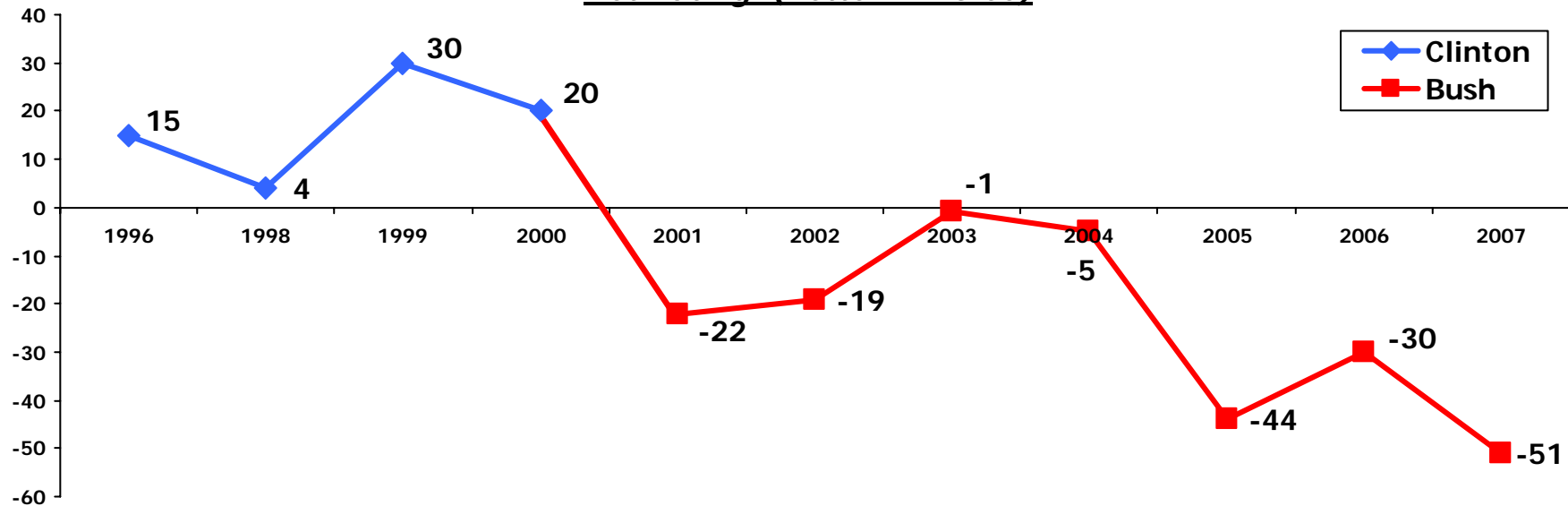


8 out of 10 believe the economy is stagnant or worsening



Feelings about the Trajectory of the Economy Over Time (Source: Gallup)

Net Rating: (Better – Worse)

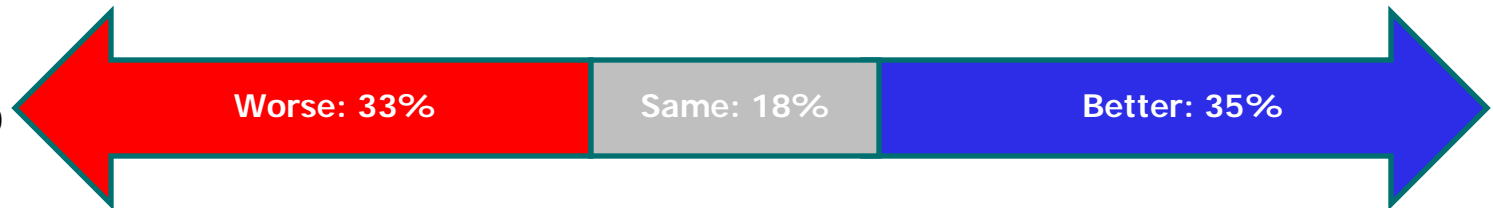


Do you think America's economy is getting better, worse, or not changing? Q22

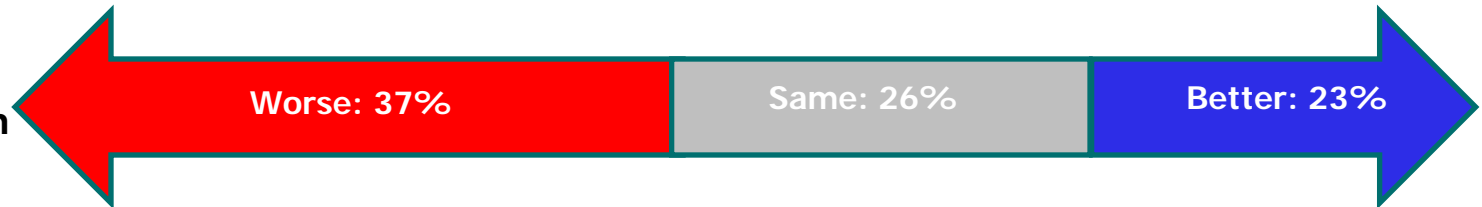
Gallup Question: Right now, do you think that economic conditions in the country as a whole are getting better or getting worse?

Low expectations of the economy's future

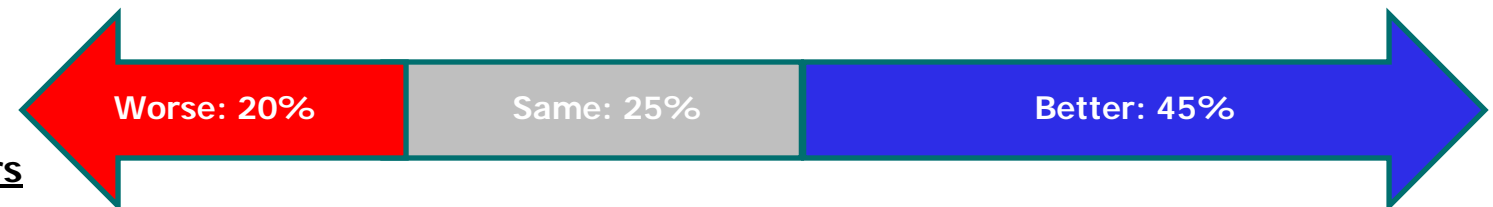
Projected state of U.S. economy in 20 years



Average family's economic situation in 20 years



Self and own family's economic situation in 20 years



In 20 years, do you think America's economy will be better, worse, or the same? Q23

10

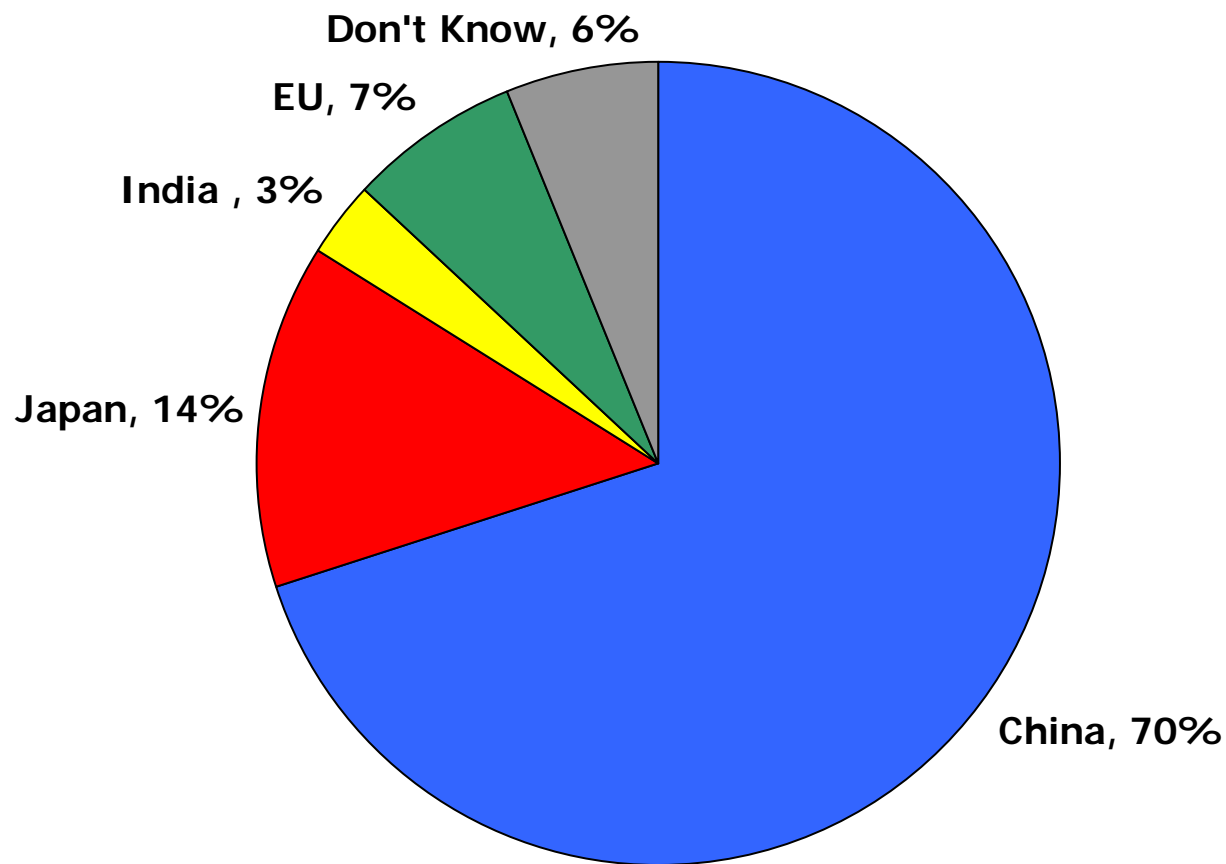
In 20 years, do you think the average American family's economic situation will be better, worse, or the same? Q24

10

In 20 years, do you think you and your family's economic situation will be better, worse, or the same? Q25

Voters recognize the rise of China as an economic competitor to the U.S.

Biggest U.S. Economic Competitor:



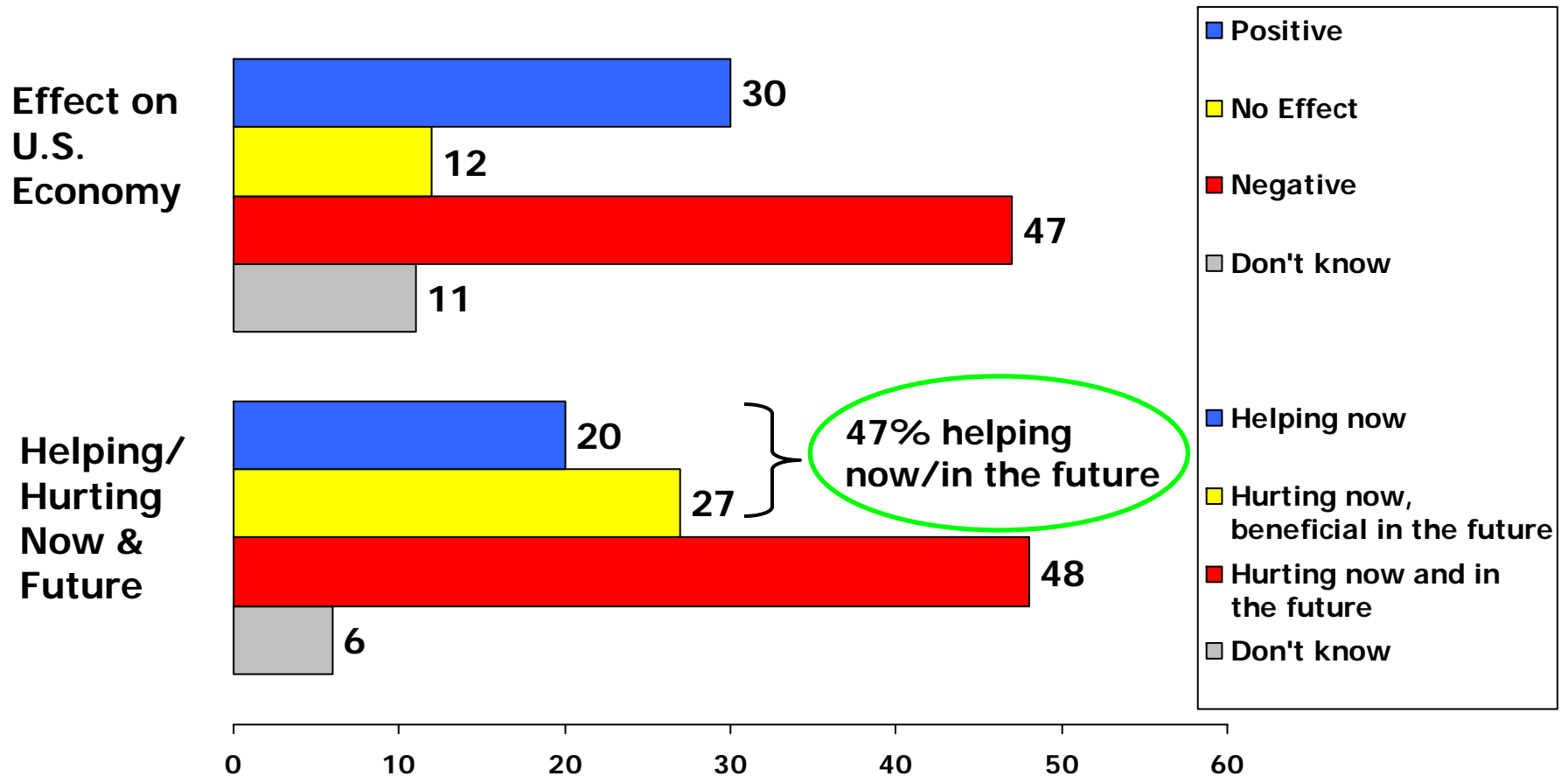
What globalization means to voters – borderless information sharing and lost jobs

- 63% define globalization using positive or neutral terminology, only 22% describe it explicitly **negatively**

Globalization Description	Total
Technology has made information sharing possible so borders no longer stop the flow of information, ideas, or culture.	23
Sending jobs overseas.	22
Consumers have access to lower-cost products and a greater variety of goods.	15
Companies have an opportunity to expand into new markets.	14
Products can be conceived in one country and assembled around the world.	11
All of the above	7
None of these	2
Don't know	6

Due to a lack of leadership from the White House, half see the impact of globalization as negative – even though it is not inevitable that we lose ground under globalization

Globalization & its Effect on the Economy



In your view, is globalization having a ...[READ LIST]... on the U.S. economy? Q65



Which is closest to your view of globalization? It is hurting the U.S. economy now and will continue to hurt our economy by depressing wages and sending American jobs overseas. It is hurting the U.S. economy now, but in the long run, it will be beneficial to our economy because it will open up new markets for American products such as computer technology, medicine and movies and music. It is currently helping the U.S. economy by opening new markets for American companies to expand into and giving consumers access to lower-cost products. Q69

Preferred Government Approach: Acknowledge that globalization is here to stay and transform the economy to prosper under globalization

Preferred Approach to Globalization	All	Cong. Undec
<i>Difference</i>	+16	+29
 Acknowledging that <u>globalization is here to stay</u> and ensuring that America's economy is designed to prosper under globalization	55	60
Softening the impact that globalization has on Americans by <u>increasing protections</u> for jobs and restrictions on the ability of foreign companies to undercut American products	39	31
Don't know	5	10

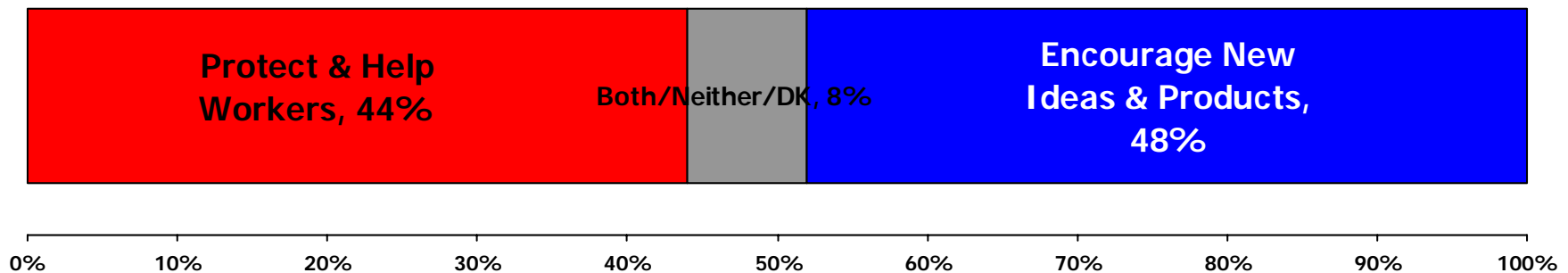
Preferred Economic Approach - Protectionism vs. Encouraging New Ideas: Plurality Favor Encouraging Innovation

Protect & Help Workers

Candidate A says the middle class is under siege and people are working harder than ever to make ends meet. Candidate A says we need to protect the middle class by including pro-worker provisions in new trade deals, holding trade partners to their commitments and investing more in dislocated workers and communities.

Encourage New Ideas & Products

Candidate B says we need a strategy for success in today's global economy. That means we must ensure trade agreements benefit workers but that will not be enough if we do not create new jobs. To do this, we must encourage the development of new ideas and new products, lower health care and energy costs, and invest in education.



Protectionism vs. Encouraging New Ideas: Demographic Subgroups

	All	Educ			Household Income			Employer Type		Work Type	
		HS/ Less	Some Coll	Coll Grad	<30	30-75	75+	Small	Big	Blue Collar	White Collar
<i>Difference (Protect – New Ideas)</i>	4	-6	-10	17	-7	-3	19	2	14	-7	14
Encourage New Ideas & Products	48	43	41	55	42	45	57	47	55	44	55
Protect & Help Workers	44	49	51	38	49	48	38	45	41	51	41
Both	2	1	3	1	2	2	1	3	1	2	1
Neither	2	2	2	1	1	1	1	1	1	0	1
Don't Know	4	5	3	4	5	4	2	4	2	3	3

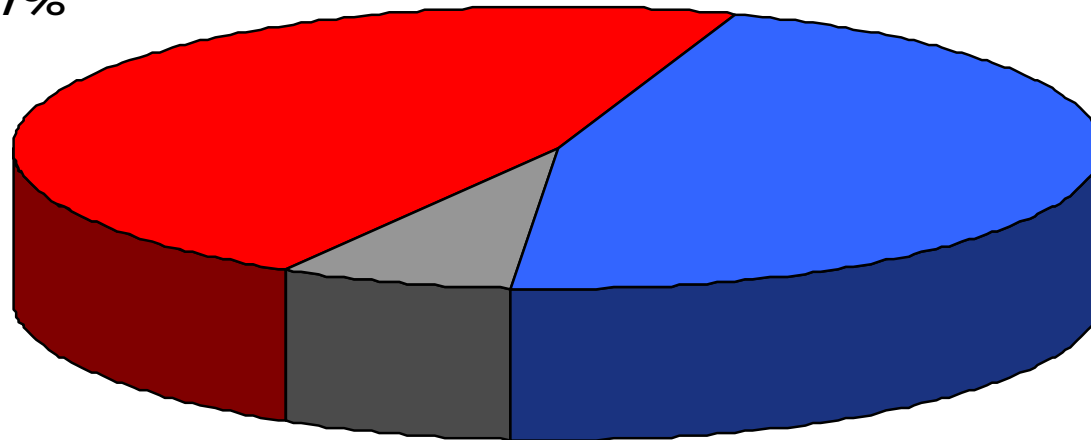


Given what you've just heard, would you be more likely to support (ROTATE) Candidate A, who says we need to protect American workers in new trade deals, or Candidate B, who says we need create new jobs through development of new ideas and products? Q 74

Future focus: idea-based industries vs. manufacturing - both important to the economy

Manufacturing vs. IP Industries

Protecting
manufacturing,
47%

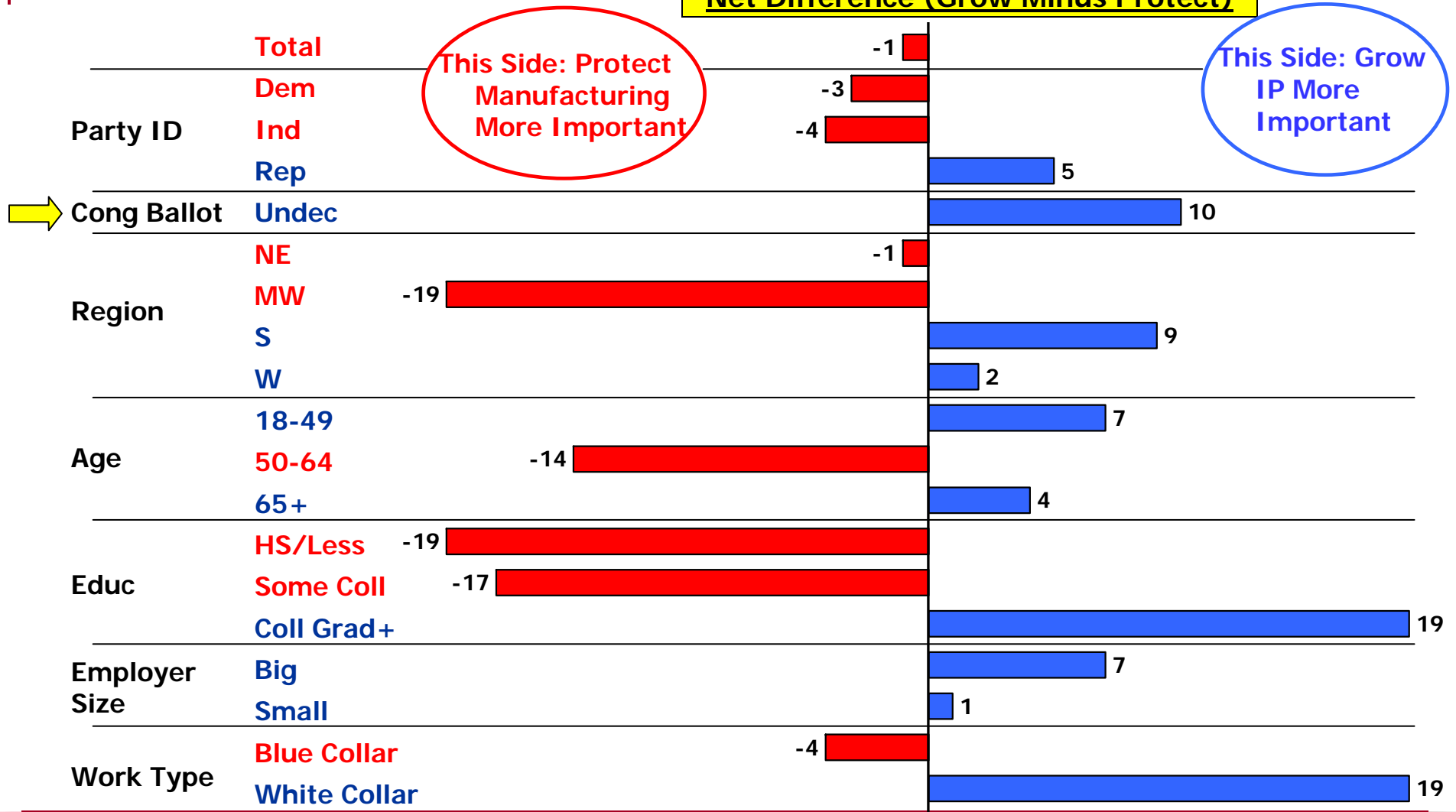


Don't know,
7%

Growing IP
industries,
46%

Grow Idea-Based Industries vs. Protect Manufacturing – Undecideds favor growing IP industries; Large differences between regions, age, education level, and type of work

Net Difference (Grow Minus Protect)



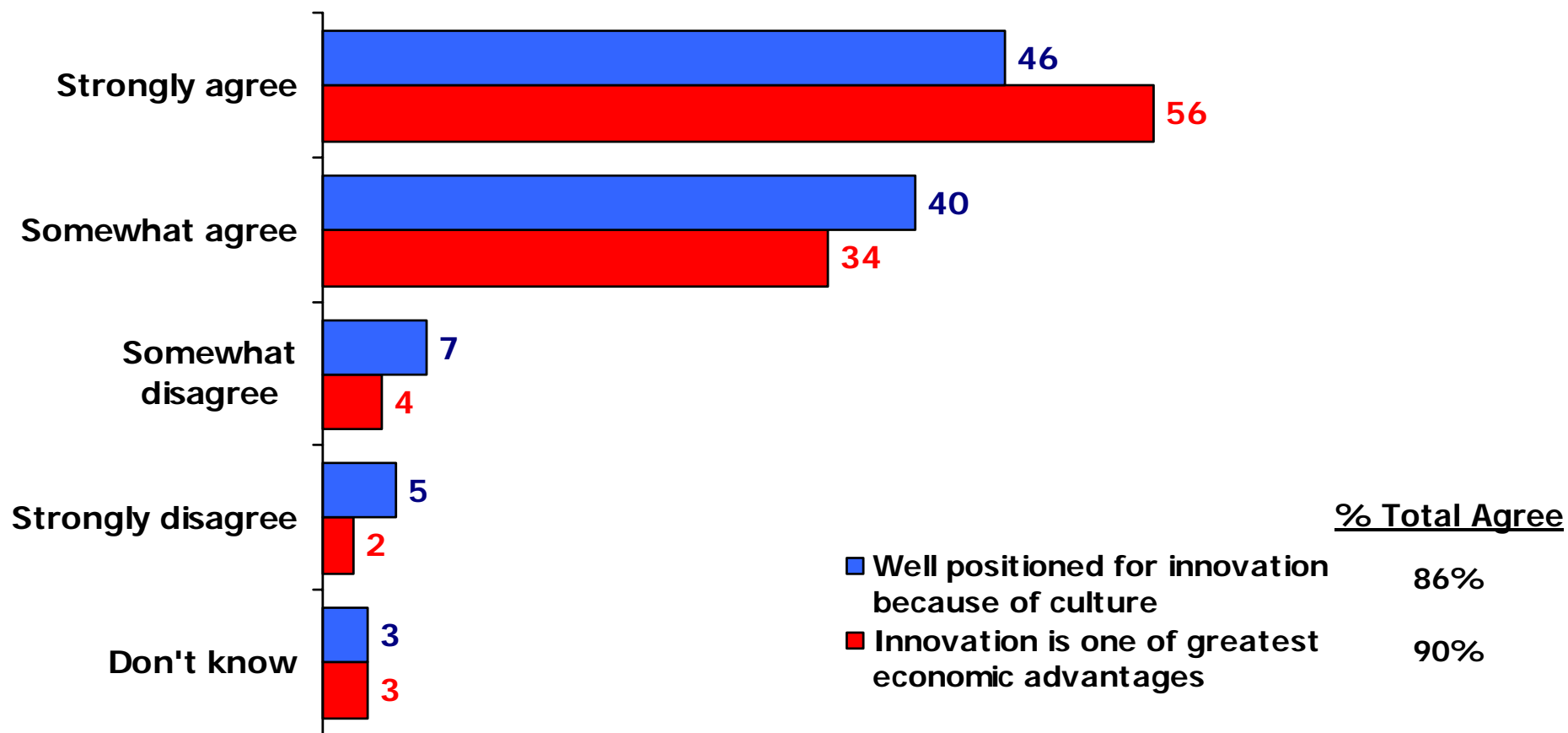
Which of the following is more important to future health and strength of the American economy - protecting and growing our manufacturing industries like cars, steel and other fields that generally make their products in factories or growing our industries that rely on the creation of products that rely on new ideas like computer hardware and software, medicine and movies and music? Q26

Innovation is recognized as America's greatest economic strength, giving the U.S. economy a unique strength with which to compete in the era of globalization

- The West leads the nation in valuing our innovation, as do Republicans

American Strength	Total	Party ID			Region			
		Dem	Ind	Rep	NE	MW	S	W
Our ability to generate new ideas and innovation	34	26	34	42	36	33	30	40
The work ethic of American workers	23	25	23	21	24	25	22	22
The quality of the products we produce	15	14	17	15	12	18	22	3
Our highly educated workforce	14	20	12	10	20	10	10	19
Our infrastructure	10	10	10	8	6	13	9	11
Don't know	4	5	3	4	2	1	6	5

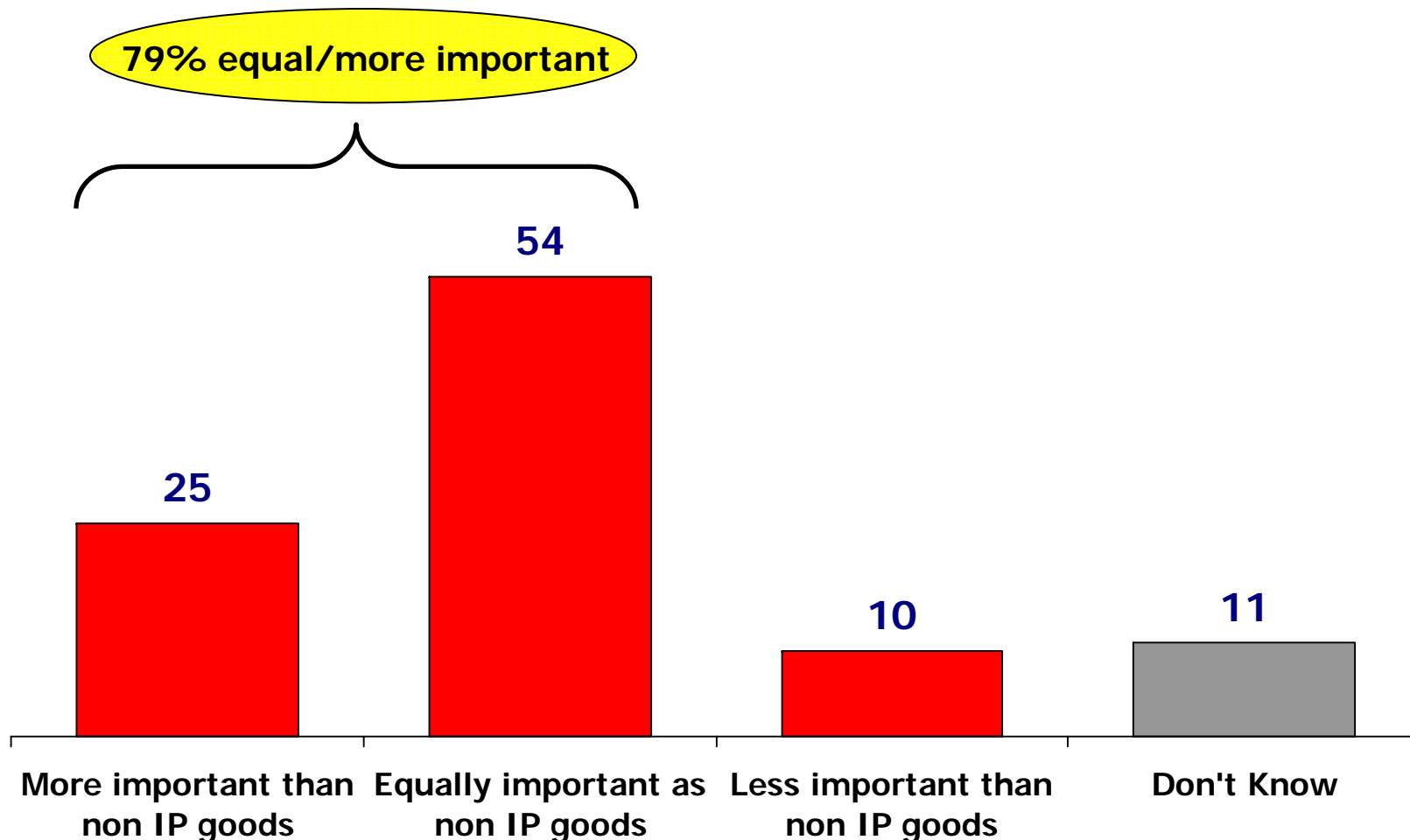
A majority *strongly* agrees that our ability to innovate is one of our greatest advantages and agrees that the U.S. economy is well positioned for innovation because of our culture



Do you ...[READ LIST]... with the statement that America's innovation and new ideas are one of our greatest economic advantages when competing with the rest of the world? Q81

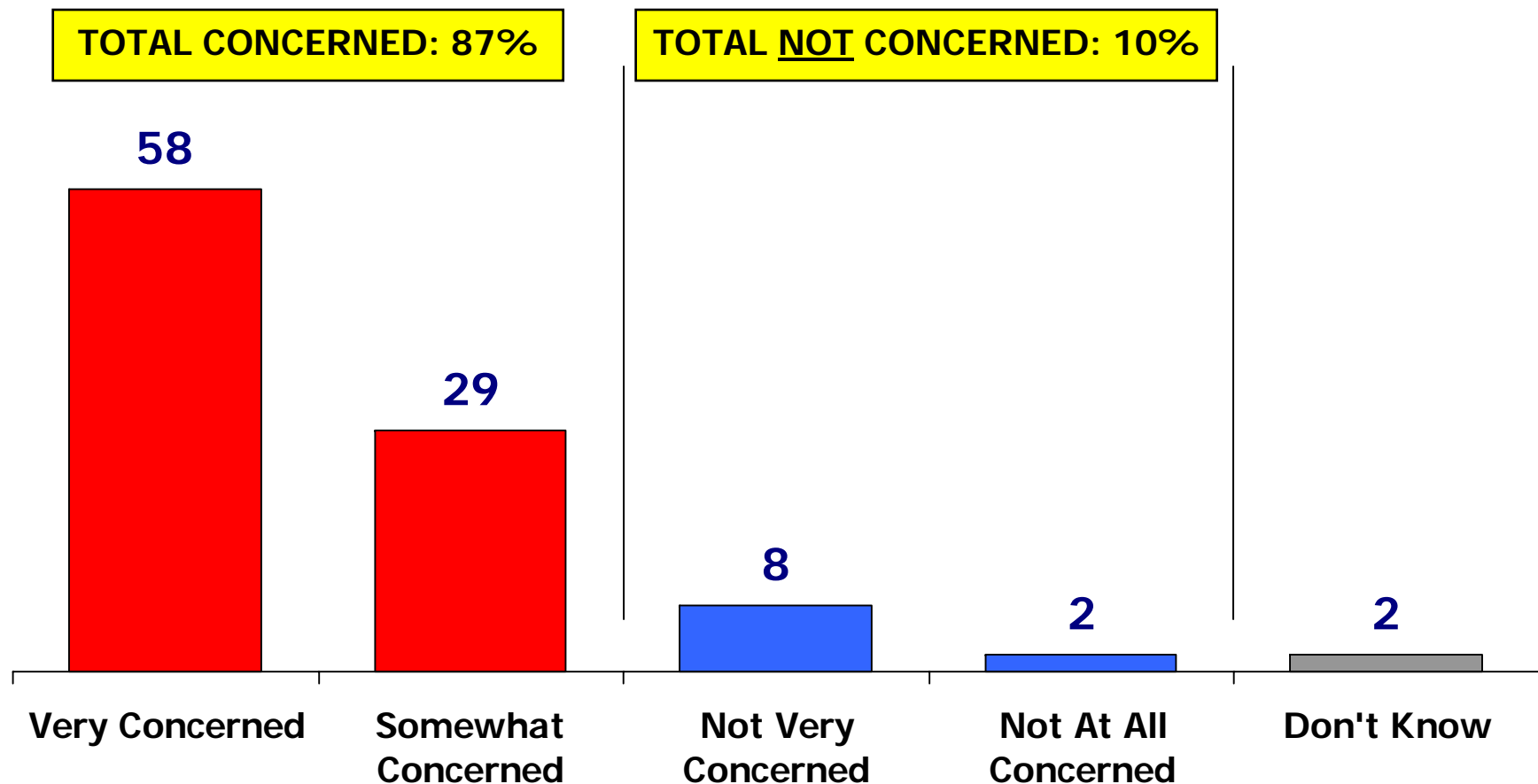
The United States is well positioned to be innovative and adaptive because we are a free society with a culture that stresses individuality and problem solving. Do you ...[READ LIST]... with this statement? Q82

IP is equally as important as other goods and industries in trade deals



Do you think that protecting American intellectual property in our trade agreements with other countries is: More important than protecting non-intellectual property based domestic industries such as textiles and agriculture, equally as important as protecting non-intellectual property based domestic industries such as textiles and agriculture, or less important than protecting non-intellectual property based domestic industries such as textiles and agriculture? Q85

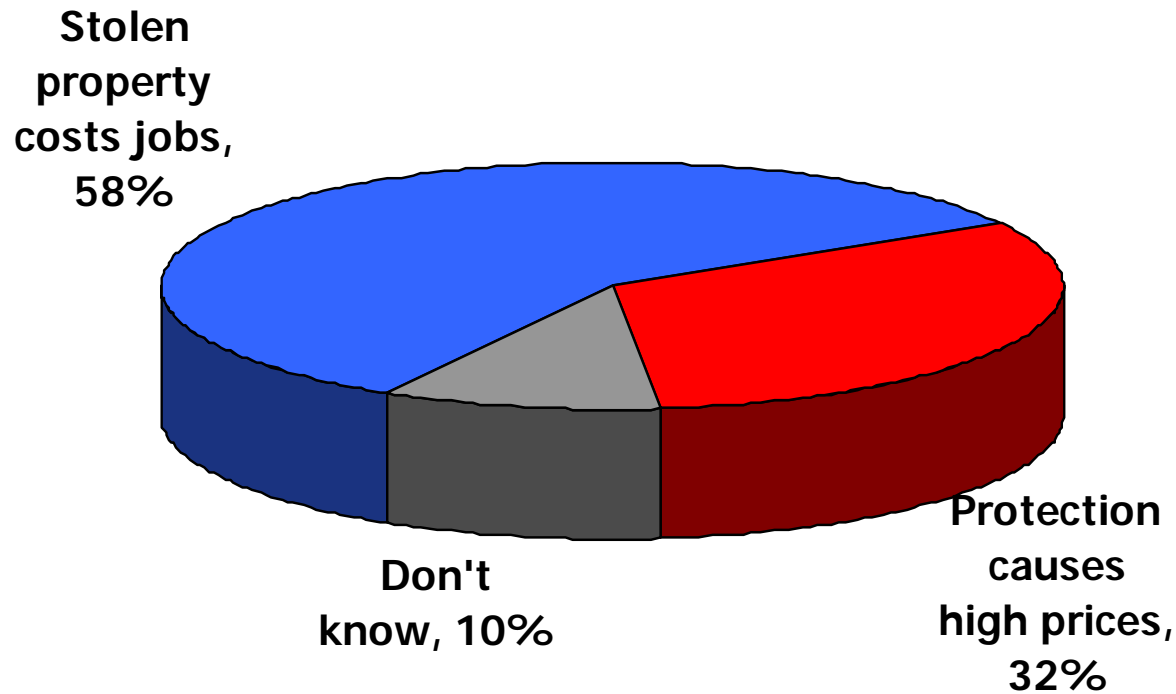
China's theft of American intellectual property is *very* troubling to a majority



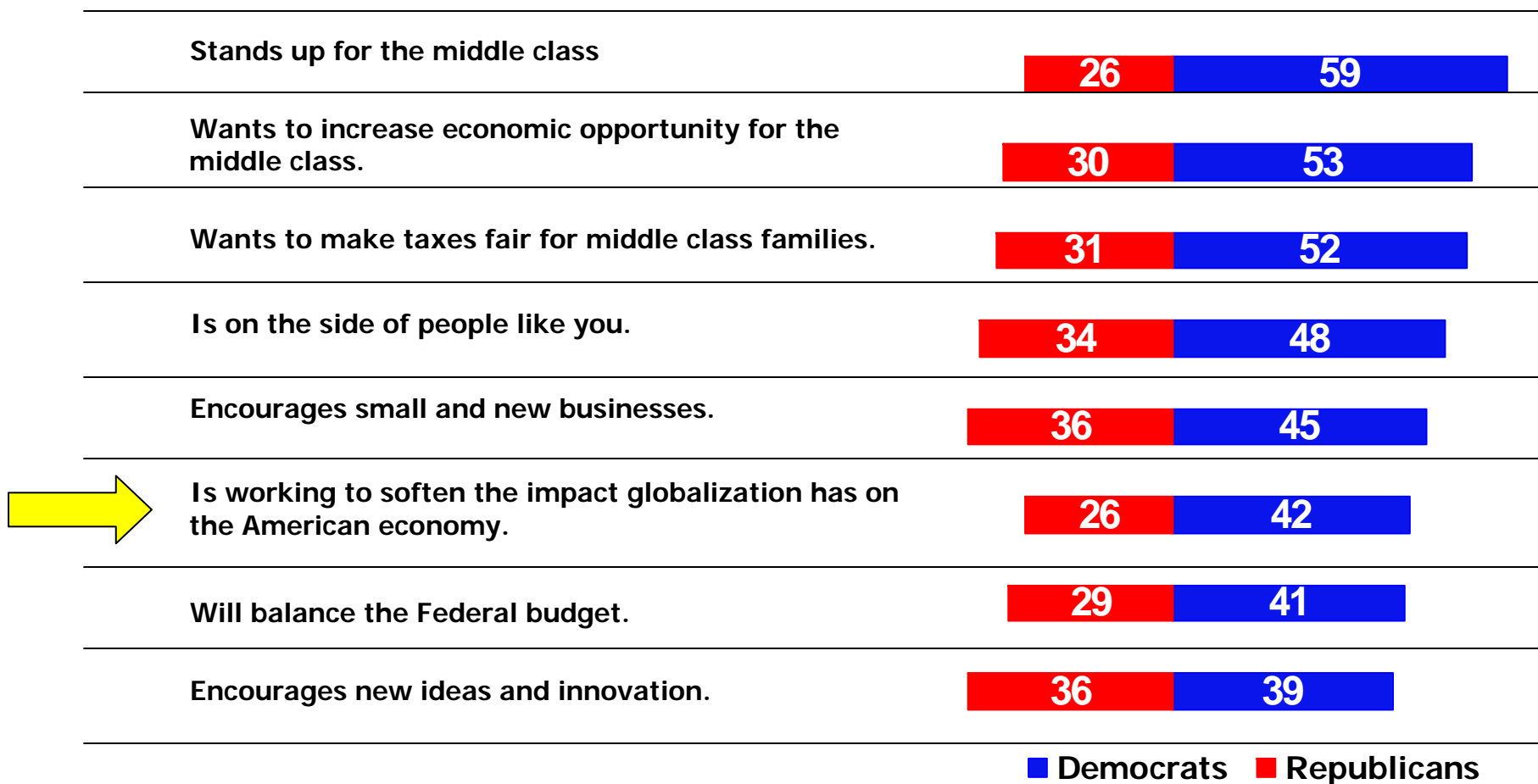
Are you ...[READ LIST]... about countries such as China stealing America's intellectual property? Q80

Connection Between IP and Jobs Evident

IP Concern – No Protection Costs Jobs vs. Protection Raises Prices



Congressional Attributes with Democratic Advantage



Congressional Attributes with Neutral or Republican Advantage

Supports free trade.

51

26

Believes it is good that in America, someone who has a good idea can develop it and become wealthy.

49

23

Believes the freedom in our society is an essential part of why our economy is strong.

45

35

Will protect patented, copyrighted, or trademarked American ideas, products and innovations from theft or piracy from overseas.

43

28

Is working to make sure the American economy is successful in an era of globalization.

40

34

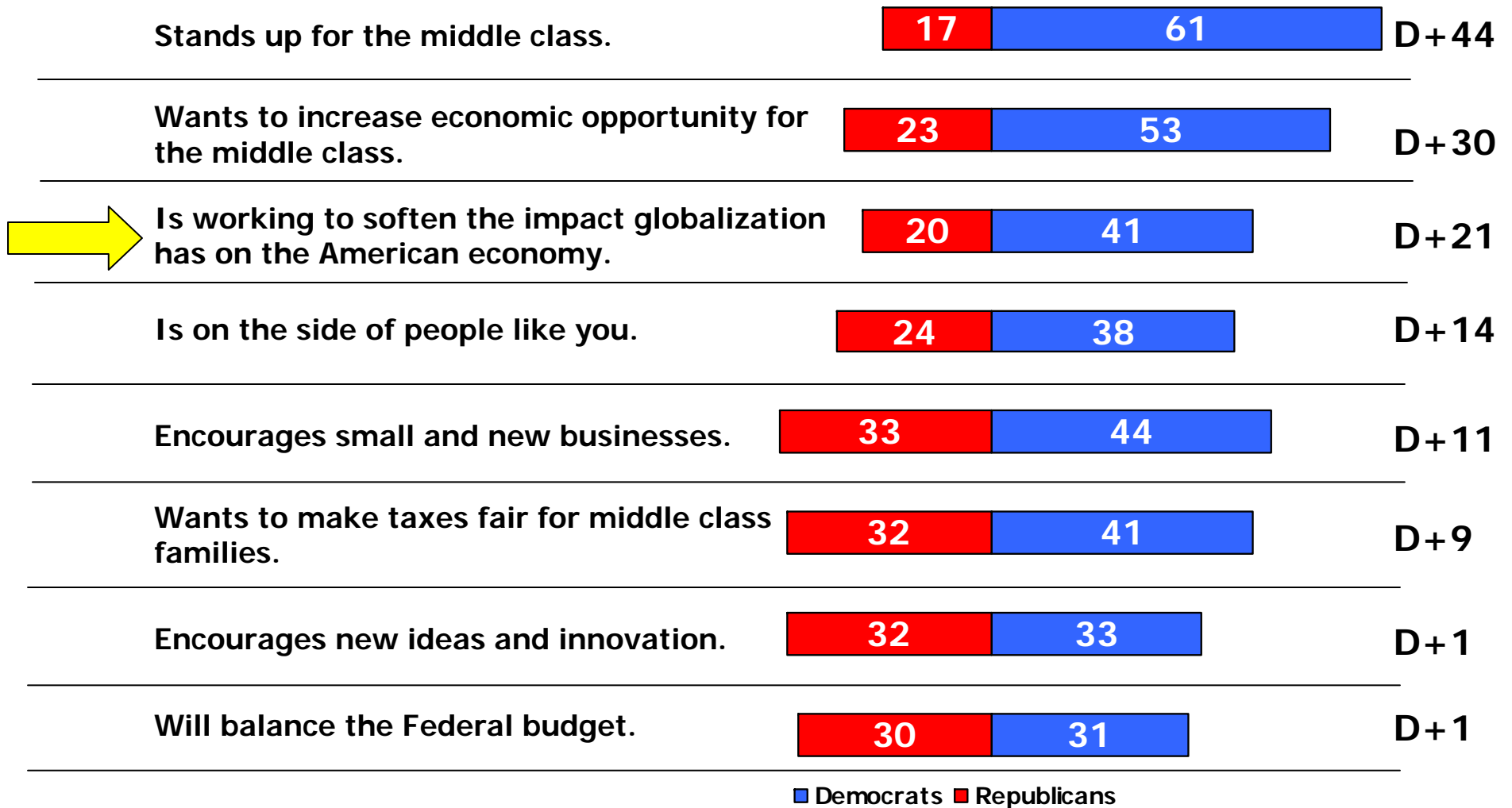
Has a plan to grow the American economy.

39

39

■ Democrats ■ Republicans

Independents' Party Views - Congressional Attributes with Democratic Advantage



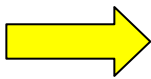
Does this apply more to ... in Washington?

Independents' Party Views - Congressional Attributes with **Republican** Advantage

Believes the freedom in our society is an essential part of why our economy is strong.



R+ 31



Is working to make sure the American economy is successful in an era of globalization.



R+ 25

Has a plan to grow the American economy.



R+ 13

Will protect patented, copyrighted, or trademarked American ideas, products and innovations from theft or piracy from overseas.



R+ 10

Believes it is good that in America, someone who has a good idea can develop it and become wealthy.



R+ 6

Supports free trade.



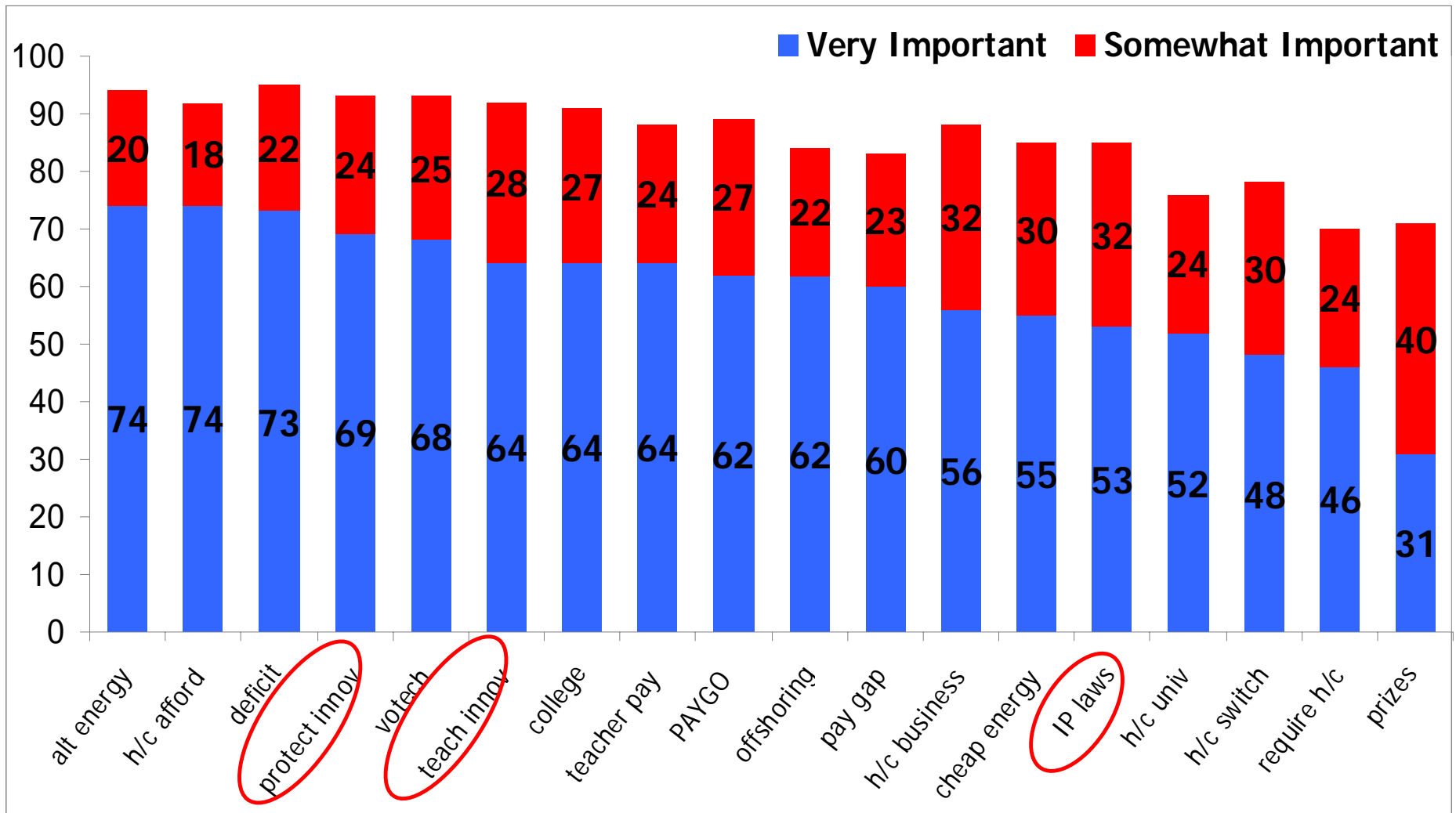
R+ 1

■ Democrats ■ Republicans



Does this apply more to ... in Washington?

Economic Priorities: Full Rankings



I'm going to read some things that might be considered an important part of a strategy to strengthen America's economy. Please tell me if you consider each of these very important, somewhat important, not very important or not at all important parts of a strategy to strengthen America's economy so it creates more jobs that pay well. Q42-Q59

Economic Priorities: TOP FIVE

Alternative energy (74% very important, 94% total important)

Increase incentives to produce alternative forms of energy to promote this as a new industry that will create new jobs.

Health care affordable (74% very important, 92% total important)

Make affordable health care available to all American workers.

Deficit reduction (73% very important, 95% total important)

Reduce the Federal budget deficit so the American government does not have to borrow money to run day to day operations.

Protect Innovation (69% very important, 93% total important)

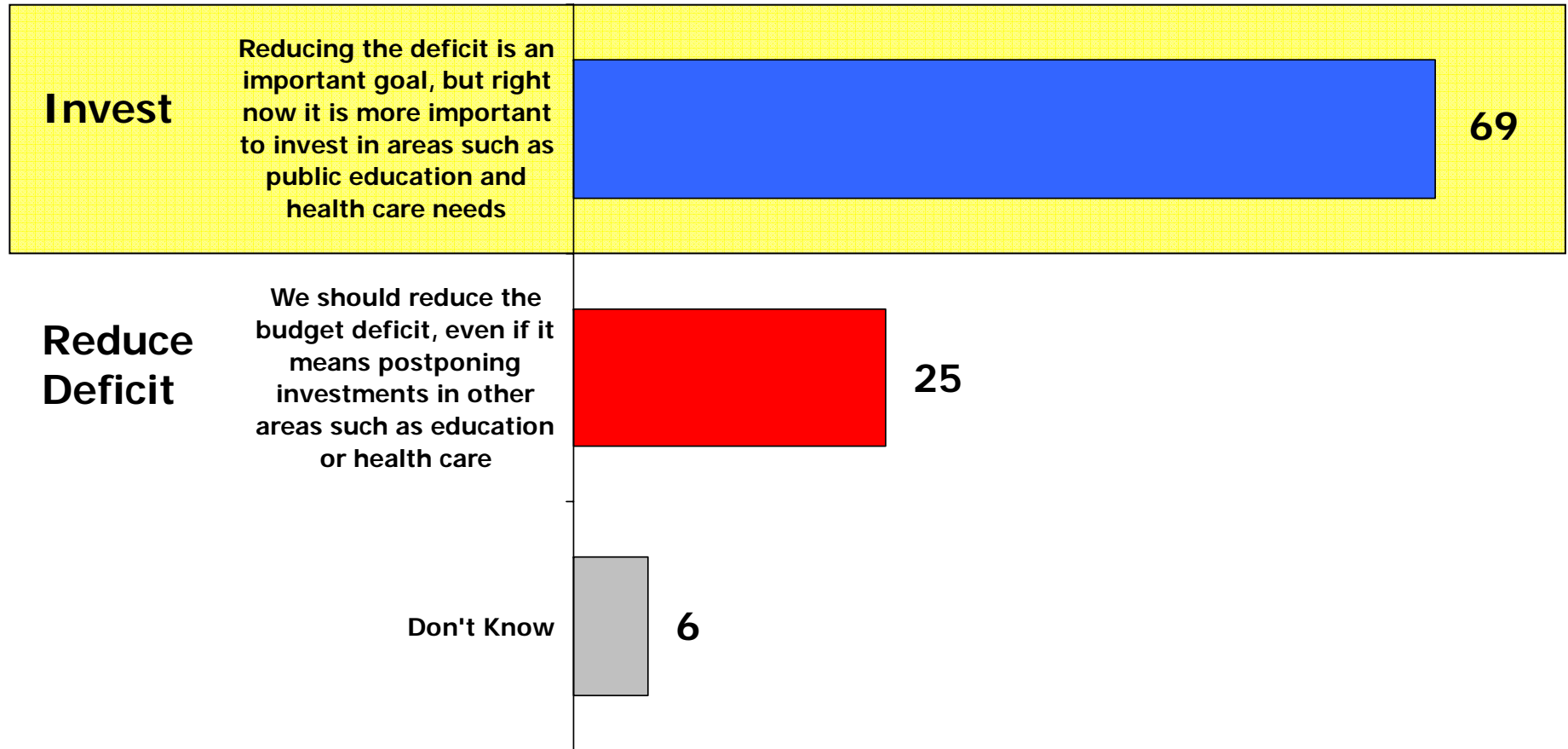
Help American companies protect their ideas and innovations from theft by foreign companies and foreign governments.

Increase vocational and skills training (68% very important, 93% total important)

Increase the availability of vocational and skills training for those students who do not want to attend college.



Voters strongly prefer investing in Americans over deficit reduction



Do you think that protecting American intellectual property in our trade agreements with other countries is: More important than protecting non-intellectual property based domestic industries such as textiles and agriculture, equally as important as protecting non-intellectual property based domestic industries such as textiles and agriculture, or less important than protecting non-intellectual property based domestic industries such as textiles and agriculture? Q85

Economic Priorities: **BOTTOM FIVE**

Stronger IP laws (53% very important, 85% total important)

Strengthen international laws that protect the ideas and innovations that American companies produce from theft by foreign companies and foreign governments.

Health care universal (52% very important, 76% total important)

Provide universal health care coverage by expanding Medicare to cover all citizens.

Health care individual mandate (48% very important, 78% total important)

Instead of the current system that puts an emphasis on getting health care through a place of employment, switch to a new approach in which individuals would purchase their own insurance. Low-income individuals would be able to buy private insurance at a lower rate based on what they can afford.

Require Healthcare (48% very important, 78% total important)

Require all uninsured adults to purchase health insurance and provide subsidies for those people cannot afford to purchase the insurance.

Innovation Prizes (31% very important, 71% total important)

Create incentives such as government-funded cash prizes to encourage the development of scientific ideas that can lead to new products and industries.

