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ROUNDTABLE

Message of Misery

By Anne Kim, Adam Solomon, and Jim Kessler

\$23,700. That is the household income level at which a white person became more likely to vote for a Republican over a Democrat in congressional races in 2004. That's \$5,000 above the poverty line for a family of four, less than half the median income of the typical voting household of all races, and an emphatic repudiation of all things Democratic among the white middle class. Obtaining a sustainable Democratic majority in either house will be impossible unless there is a significant change in this economic tipping point.

To solve this problem, Democrats must first realize that they *have* a problem - no, actually a crisis - with the middle class. Democrats - the self-described party of the middle class - have not won the middle class vote in at least a decade. Among all voters with \$30,000 to \$75,000 in household income, Bush bested Kerry by six-points and congressional Republicans won by four-points. Democrats continued to win nine of ten black voters of all income levels, but Hispanic margins have decreased as their economic situation has improved. And as noted above, we got slaughtered among the white middle class.¹

The second step is to admit that our deficit is as much due to economic disconnects as cultural and national security disconnects. That may be harder for Democrats to swallow. Many believe the middle class have been duped by a what's-the-matter-with-Kansas scheme in which clever conservatives trick the beleaguered middle class to vote against their own economic interests through the use of irresistible cultural wedge issues and national security concerns.

Of course national security and culture matter, but in 2000, when national security was a b-list issue, both Gore and congressional Democrats lost the middle class. In 1996, before the culture wars were fully ignited, Clinton also lost the middle class to the combination of Dole and Perot, as did congressional Democrats.

At Third Way, we not only believe the what's-the-matter-with-Kansas analysis is wrong, but that it represents a dangerous red herring for Democrats. In a [report](#) we co-authored called The Politics of Opportunity, we isolated five areas of disconnect between how Democrats talk about the middle class and view the economy and how the middle class view their own economic situation and that of America.

Disconnect one is optimism versus pessimism. Whether it's the "people versus the powerful" Al Gore's convention speech or John Kerry's "Benedict Arnold companies" where American workers see their factories "unbolted, crated up, and shipped thousands of miles away," the Democratic economic message is pervasively pessimistic. Democrats see the American Dream fading, the middle class being squeezed, jobs disappearing, schools crumbling, and wages stagnating.

That is not the way middle-class Americans view their own lives. Days after 9/11, 80% of Americans expressed optimism about the

Main Article

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[Read Anne Kim, Adam Solomon, and Jim Kessler's article.](#)

The Responses

The Third Way authors provide a useful service in pointing out a problem that many progressive activists frequently fail to recognize.

[Read John Halpin's full response.](#)

Without middle class support, no political party can remain in power. The trio of Kim, Solomon and Kessler has this right. The message should be tattooed on the inside of the eyelids of every office seeker in America.

[Read Elizabeth Warren's full response.](#)

year ahead.² Two months after gas hit \$3 per gallon, 73% said they were optimistic about their family's finances.³ In 2004, 78% said they were doing "fairly well" financially.⁴ And only 22% believe they will not "earn enough money in the future to lead the kind of life [they] want."⁵

Voters may feel that the economy is heading in the wrong direction at a particular point in time, but they consistently view their own outlook as better (think of voters who hate Congress, but like their own representative). And they are turned off by a message of gloom and doom.

Disconnect two is economic decline versus economic strength. Democrats have become the "falling behind" party. America is falling behind China and India in innovation. Our kids are falling behind in math and science. Our middle class is shrinking. And by the year 2062 our GDP will be half the size of Burma's.

Fortunately for America, and unfortunately for Burma, this does not reflect economic reality. Most economists who advise investors seeking to earn money (rather than those who advise politicians seeking to win votes) are confident in America's future. Most see America winning the competition against India and China, just as we did over Japan in the 1980s and Germany in the 1970s. They know that our economy boasts strengths unmatched by other nations, including flexibility, resiliency, strong capital markets, financial and political transparency, legal protections for intellectual property and an unparalleled university system.

It is true that our national prosperity is threatened by the Bush policies of high debt, tax giveaways to the most affluent, a theocratic faith that corporate America will solve our health care and energy crises, and the growing income inequality found in our country. Yet even with six years of wrong choices behind us, the bursting of the tech bubble, the attacks of 9/11, Hurricane Katrina, and sky-high oil prices - America's vital economic signs are fundamentally robust.

Disconnect three is economic security versus individual opportunity. Democrats rarely talk about individual aspirations of greatness or success; they mostly talk about people's economic status or about their economic fears.

As Americans have grown more affluent -- and with a few blips along the way, American households have steadily grown more affluent over the past 60 years -- they have come to care less about economic security and more about economic opportunity. In the past, individuals were far more likely to aspire to a job that offered modest pay but high security. Today they would rather choose a potentially higher paying but riskier job.

Economic security should be addressed, but equal time should be given to the yearning most Americans have to get ahead.

Disconnect four is ideas. Most signature Democratic ideas do not benefit middle class people; they benefit those who aspire to the middle class. The typical Pell Grant recipient earns less than \$20,000. The minimum wage impacts less than 2% of working Americans. The earned income tax credit phases out to a pittance for families over \$25,000. Head Start, food stamps, and WIC are for the poor, poorer, and poorest of society. The middle class believes in these programs, but they are wondering when someone will pay attention to them.

Part of the problem is that Democrats have been misled about the state of the middle class. Progressive economists typically peg median household income at about \$45,000. But that includes households headed by 22-year olds (who are on their way up) and 76-year olds (who live on fixed incomes that may be small but are

The Democrats do have a big problem with middle-class Americans, starting (but not ending) with white voters.

[Read William A. Galston's full response.](#)

Having just finished a book entitled *The Great Risk Shift: The Assault on American Jobs, Families, Health Care, and Retirement-And How You Can Fight Back*, I would guess that Anne Kim, Adam Solomon, and Jim Kessler (hereafter "KSK") will accuse me of peddling a "message of misery."

[Read Jacob S. Hacker's full response.](#)

often comfortable since they have no dependents and limited work related expenses).

Among households headed by prime age Americans - adults between the ages of 26 and 59 - the median household income is about \$63,000. For prime age married households the median income is over \$70,000, and it is nearly \$80,000 for two-earner prime age households.⁶ The point is that Democrats have a view of the middle class that is at one place on the income spectrum, when the reality is in a very different place.

We do not argue for Democrats to abandon programs to help poor people climb into the middle class or to play them down. We simply argue that Democrats must have a comparable set of signature ideas that benefit the middle class.

Disconnect five is an unconvincing economic critique of conservatives. Folks, if bashing rich people, the oil industry, and the drug companies were an effective political strategy, jets would be landing at Michael Dukakis National Airport in Washington.

An effective economic critique should tell a story. The conservative story about Democrats is that they believe the government does a better job of spending your money than you do. Every conservative economic argument against the left derives from this statement. Democrats need a story of their own.

That brings us to repairing these five disconnects. Democrats cannot connect with the middle class until they understand that they are richer, more optimistic, and more firmly in control of their lives than they think. Democrats need to know that the typical middle-class family is likely to be married with children; many of the pressures they face come from trying to get ahead, not simply staying in place.

With that in mind, we suggest a very simple message aimed at the middle class and a related set of policies. Our positive message is that Democrats will build a new era of middle-class opportunity - a message that is optimistic, forward-looking, implicitly critical of the old regime, and aimed squarely at the group of voters who once formed the bedrock of the Democratic Party. This kind of message also reinforces the successful progressive tradition of optimists like Franklin Roosevelt, Harry Truman, John Kennedy and Bill Clinton.

We offer a series of signature Democratic initiatives designed to help middle-class Americans live a better and more prosperous life. They include a generous middle-class college tuition tax break, a new first-time homebuyer tax credit, tax cuts to help sandwich-generation families pay for the care of elderly parents, and a more generous tax break for families with preschool children. They are all designed to help the middle class attain their goals - like purchasing a home, paying for college, and maintaining economic freedom as parents age.

How do we pay for them? Well that gets to our critique: conservatives believe the wealthy are the engine of the economy; we believe the middle class is the engine of the economy. So we would roll back some of the Bush tax cuts on the wealthy to finance a generous set of middle-class tax breaks designed to create a new era of middle-class economic opportunity.

Now we have a story to tell - about them and about us. And here's how it could sound in a 30-second spot.

That's right, Buck Bickerson and Mitzi Chase each have a tax plan. The Bickerson plan would help wealthy parents send their kids to Europe in the summer. The Chase plan would help middle-class

parents send their kids to college in the fall.

It's your choice. The Chase plan - better for America, better for Springfield, and better for you.

For Democrats, the road to a lasting majority runs through the heart of the middle class. This is something that Bill Clinton understood and he, above all others, fared best with middle-class voters. By making a college tuition tax break one of the six pieces of their New Direction campaign, Harry Reid and Nancy Pelosi are talking directly to the needs of the middle class.

A commitment to a new era of middle-class opportunity would not only help the self-described party of the middle class win a sustainable majority, it has the added benefit of making America a better and stronger nation. After all, the engine that drives our economy is truly the middle class.

Anne Kim is the Director of the Middle Class Project at Third Way, Adam Solomon is the Chairman of StoneWater Capital LLC and a Third Way Trustee, and Jim Kessler is the Vice President for Policy at Third Way.

¹All election statistics rely upon exit polls from 1996, 2000, and 2004, which were obtained from the Roper Center at University of Connecticut.

²Gallup Poll, "Terrorism Reaction Poll," September 21-22, 2001, 1,008 respondents.

³ABC News/*Washington Post*, "Outlook for 2006 is Positive, but Wide Partisan Gap Remains," December 31, 2005.

⁴Roper Poll, "Americans Talk About Personal Finances," May 2004, 1,014 respondents.

⁵Pew Research Center for People and the Press, "Economic Concerns Fueled by Many Woes," May 11-15, 2005, 1,502 respondents.

⁶Current Population Survey, March Supplement, 2005.

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