

To: Groundwork Collaborative

From: GBAO

Date: December 15, 2020

Key Findings: Groundwork Survey and Focus Groups on Attitudes Toward Public Investment & Fiscal Austerity

This memo reflects the findings of quantitative and qualitative research conducted by GBAO on behalf of the Groundwork Collaborative about registered voters' attitudes toward public investment and fiscal austerity. GBAO conducted 1,000 online interviews of registered voters from November 18-22, 2020. The survey carries a margin of error of +/- 3.1 percentage points at the 95% confidence level.

GBAO also conducted two online focus groups on November 10, 2020 among swing voters across six states (DE, VA, GA, KS, WV, AZ) – one group of college graduates and one group of those without a four-year degree. Online qualitative research findings provide depth of understanding and direction and is not designed to be a statistically representative sample. The findings should be taken in context of the quantitative research detailed in this memo.

Toplines:

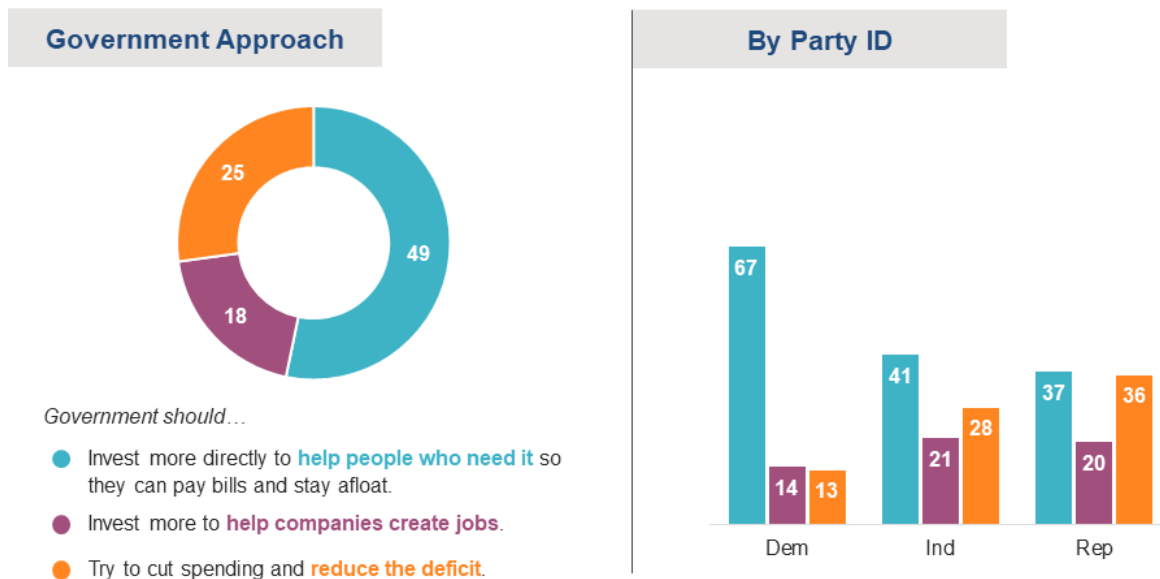
- We need not shy away from a conversation about deficits; despite some concern about deficit spending, we can win that exchange with a reminder of the urgent need.
- Voters are already on board with public investments, major changes, and an active government role to address urgent needs.
- That said, given how dysfunctional the view of our government is, the focus should be on the need (the scale of the current economic downturn and that something needs to change), rather than the process (how to spend and on what exactly).
- It's also important to precisely describe and characterize economic challenges – past, present, and future. Many people recall pre-pandemic times positively and hope for better times soon.
- A gender gap suggests some groups may have different calibrations on urgency or optimism, and that people of color and white women may be more receptive to anti-austerity messaging.



Key Findings:

Deficit Concerns Exist, But Direct Investments Win in Head-to-Heads

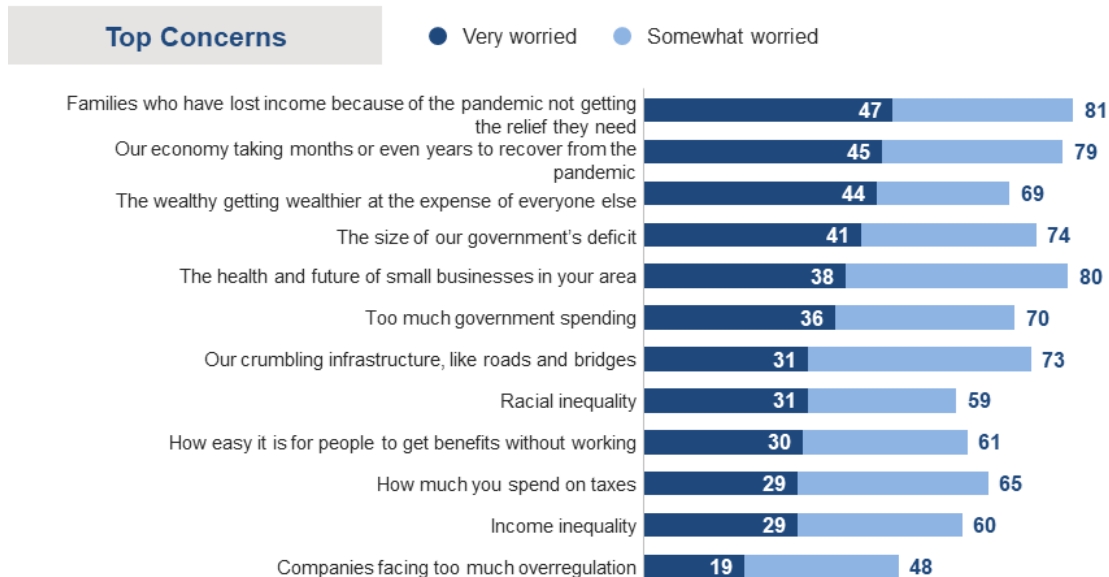
- Direct relief beats spending reductions and bailouts for large corporations. When forced to choose between three government approaches, relief for people and small businesses owners who need it is the clear preference (49%) over helping companies (18%) or reducing spending (25%). This is the preferred approach across party lines, although Republicans are more divided.



- The word “austerity” has not yet permeated our national debate. In our college-educated focus group, some thought of the word as “more descriptive of Europe.” In our non-college group, not a single person could define the word—in any context.
- In our survey, austerity is one of the least popular phrases we tested; only “slashing public services and benefits” (another way to describe austerity) tests lower. It also evokes more uncertainty (32%) than any other phrase we tested, and more than in any other question we tested in the entire survey.
- That does not mean deficits or spending reductions do not matter to people. “The size of our government’s deficit” is a top concern. And a split-sampled test of austerity combined with deficit reduction works far better than austerity alone (68% an approach that will improve the economy vs. 41%). In focus groups, many wondered if borrowing money would mean taxpayers would have to pay back the government “eventually.”
- However, addressing deficits directly in our messaging does help mitigate these concerns. Drawing on focus group respondents’ own language about “strategic” spending and explaining the purpose of deficit spending (urgent relief), the pro-deficit spending message was among our best-testing messages in the survey.

Many Are Personally Worried About A Variety Of Specific Economic Impacts On Their Own Situation

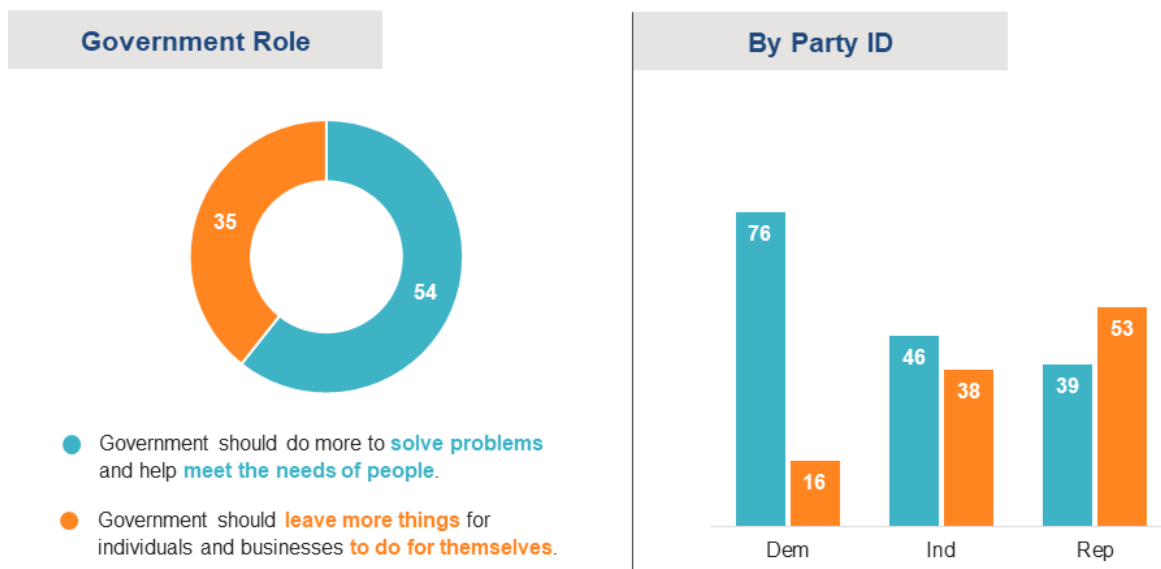
- Whether broadly optimistic or pessimistic, beneath the surface, majorities are worried about a variety of different personal and national economic hardships.



- Local and personal impacts are more worrying, such as small business health and families getting the relief they need. Many are also worried about the economy not recovering from the coronavirus pandemic, the wealthy getting wealthier, and crumbling infrastructure.
- Note, many are also worried about the deficit, government spending, and high taxes. We will see below this is more salient than helping companies. The least worrying item in our list is “companies facing overregulation.”

Most Are Open To Major Changes To Our Government And Our Economy To Address Urgency And Relief

- With this backdrop, many are open to changes they view as “major.” A clear majority prefer “major” changes to our government (62%) and to our economy (54%). Further, a majority (54%) think the government should “do more to solve problems and help the needs of people” than “leave more things for individuals and businesses to do for themselves” (35%). Democrats are quite unified on this, and even two in five Republicans prefer a broader government role.



- But while people support “major” changes, they also prioritize urgency. A majority (57%) think the government should “just try to solve immediate problems currently caused by the pandemic” instead of “fixing the underlying problems of the economy” in order to solve our larger issues (31%). While this second formulation rang true with some focus group respondents, ultimately several said we should take “baby steps” first. And as a reminder, many said they recalled feeling positive about the pre-pandemic economy.
- Messaging highlighting the urgency of the pandemic economic recovery tested quite well. Two of our top-testing messages note pressing economic needs such as “the economy is on the edge right now” and the need to “treat the pandemic like an economic emergency.”

Messages (% total very or somewhat convincing as reasons to "support more public investment"—slightly abbreviated for length)	Total	Dem	Ind	Rep
(Split message—asked of ½ sample) Our federal government is not like a household—it is designed to handle a deficit to help pay for spending during a crisis. Ideally, we shouldn't run a deficit, but having companies go out of business and workers lose their jobs is even worse. Now is the time to invest in our recovery, help families afford the basics, and help small businesses stay afloat, even if it adds to the deficit in the short term. If done correctly and strategically, this kind of spending can actually help, not hurt, our nation's economic health.	60	72	52	54
In a time of crisis, we should be spending more, not less. This was the lesson from the Great Depression. Initially there was little government spending on relief, until FDR created the New Deal, introduced Social Security, invested in road building, allowed workers to collectively bargain, and other programs that helped the economy recover. We may not be in a depression, but many people are out of work, industries and small businesses are struggling, and the virus is only getting worse. We need to treat this pandemic like an economic emergency, learn and apply the lessons from the past, and take action before it's too late for many families and businesses.	59	71	51	53
Our economy is on the edge right now. Millions of people are out of work, and small businesses are closing at an alarming rate. The federal government can boost our economy now by supporting struggling families and investing in all of us—not just large corporations. This will benefit everyone, with new jobs, higher wages, and a stronger overall economy—outweighing the cost of any new borrowing the federal government has to do.	59	76	50	50
(Split message—asked of ½ sample) Our federal government is not like a household—it is designed to handle a deficit to help pay for spending during a crisis. Government can take on some debt now so that companies don't go out of business and people don't lose their jobs. Now is the time to invest in our recovery, help families afford the basics, and help small businesses stay afloat, even if it adds to the deficit in the short term. If done correctly and strategically, this kind of spending can actually help, not hurt, our nation's economic health.	58	69	51	52
Every dollar the government spends providing people things they need like food, foreclosure or eviction relief, or unemployment insurance gets spent and recirculated into a community's local economy. In fact, during difficult economic times, every dollar invested in worker relief generates \$3 in economic growth. By contrast, things like tax cuts for the wealthy or corporations do not "trickle down" to everybody else. It helps the economy more when we spend directly on the working and middle class.	57	74	48	48
It's no longer true that someone can get ahead in our economy just by working hard. And for Black and Brown Americans it can be even harder to give one's children a better life. We need to stop making it easy for the wealthy and special interests to get even richer at the expense of everyone else.	52	72	45	36
Our economy was suffering from growing inequality even before the pandemic. The wealth gap between the richest and the poorest Americans more than doubled just since 1989, and we now have more income inequality than nearly any other industrialized country. And now the pandemic is making this even worse. By taking action to invest in workers and stimulate the economy and small, local businesses, we can also fix income inequality and level the playing field between the rich and working class.	52	72	41	42

- Similarly, from a list of phrases and approaches, increasing relief and providing more stimulus top voters' list. And recall above, more say they are worried about families receiving relief than any other concern we tested.

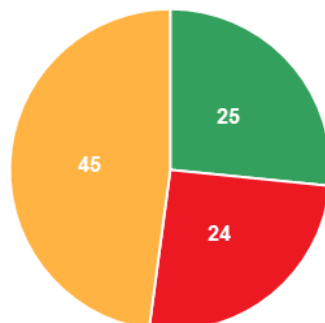
People Are Pessimistic About Today, But More Optimistic About Tomorrow

- Few are optimistic about the country's economy. Just over a third (36%) say the economy is doing excellent or good, compared to twice as many who give it a negative rating. And twice as many feel strongly negative (20% poor) as feel strongly positive (9% excellent).
 - Importantly, many recall feeling quite positive about the pre-pandemic economy (72% positive, 26% negative), consistent with what we heard in our focus groups. These positive ratings could be accurate recollections of past opinions (a January 2020 Navigator survey showed 62% positive toward the economy), but they could also reflect a recency bias in which recent events—like the pandemic—are given greater weight and consideration.
- Pessimism about the current economy is consistent with respondents feeling their own economic situation is more likely to have worsened during the pandemic than improved. More than twice as many say their situation has worsened (35%) than improved (15%) in the last six months, with half (49%) reporting no change.
- However, despite this, more remain positive about what tomorrow holds. Voters are evenly divided on how their own situation might change in the next six months (25% get better, 24% worsen, 45% stay the same). That said, more are pessimistic about the country's economic direction (26% get better, 42% worsen, 23% the same).

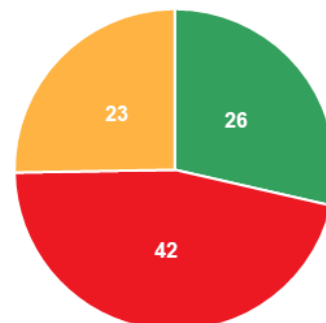
Economic Outlook: Next 6 Months

● Get better ● Get worse ● Stay the same

Personal Financial Situation



Country's Economy



Women Are More Pessimistic And Concerned—A Gender Gap That Transcends Race And Party

- Women are more pessimistic than men about the past, current, and future economy, even when accounting for race and party differences. Democratic women are more negative about both the current and past economy than Democratic men, and even Republican women are less likely to say the economy was “excellent” a year ago (37%) than are Republican men (52%). White women are more pessimistic than white men about both the current and past economy, and the gap is similarly large among women of color compared to men of color.

Key Perspectives

%	White women	White men	Women of color	Men of color	GOP women	GOP men
% economy was excellent a year ago	21	42	8	19	37	52
% own economic situation has gotten better	9	21	12	19	11	26
% government should help people solve problems	56	44	68	59	40	37
% very worried about pandemic relief	55	38	58	31	49	32
% very worried about the deficit	40	48	36	29	41	46
% find race-explicit message very convincing	28	21	42	32	20	19

- Women are also more likely than men to feel a negative personal impact from the economy; 41% of women say their situation worsened, compared to 29% of men who say the same. This gap extends across racial and partisan lines. For example, fewer white women (9%) and women of color (12%) say their personal situation got better in the last six months than white men (21%) and men of color (19%). Women also feel more pessimistic than men about what is to come for them personally in the next six months (22% of women say it will improve, 29% of men say the same).
- Across party lines, women are more open than men to a more active role for government (60% of women say the government should “solve problems” vs. 48% of men). This gender gap also transcends party lines, as Republican women are nearly divided on the role of government while Republican men are more firmly in the “smaller role” camp. Women of color also are more likely to support an active role (68%) compared to men of color (59%).

- A gender gap further pervades on the issues worrying voters. Women tend to be more concerned about the top worries tested (pandemic relief, our economic recovery, the wealthy getting wealthier, etc.). But the gender gap tends to be smaller, or non-existent, on issues related to deficits and government spending.
- Our race-explicit message on income inequality that states “for Black and Brown Americans it can be even harder to give one’s children a better life” fares well when we look at the top category—29% say it is “very convincing.” Still, a quarter (26%) find this statement “not at all convincing”—consistent with concerns that there is still a long way to communicate the extreme inequities communities of color have faced in the pandemic and the economic crisis. That being said, it is the top message with Democratic women (51% very convincing, compared to 35% of Democratic men). It is also considerably more persuasive among women of color than among men of color (42% vs. 32%) and among white women compared to white men (28% vs. 21%).