

The Drum Major Institute for Public Policy’s First Annual Survey on the Middle Class and Public Policy Finds Broad Policy Agreement Among “Fearful Families”

Overview: Middle Class Households are Fearful Families

DMI’s first annual survey on the Middle Class and Public Policy reveals that America’s middle-class households are fearful families – overwhelmingly pessimistic about the direction of the country, especially the economy and high gas prices. Most have little flexibility in their own economic situations and have little if anything left over each month after meeting basic expenses. The middle class is disgruntled with the direction of the country and politicians and see little coming out of Washington that would give them cause for optimism.

Middle-class Americans *do* know what policies *they* would like to see enacted. Despite media depictions of a sharp red and blue divide, the nation’s middle class displays broad consensus on a range of public policies aimed at easing their economic squeeze: they support a universal national health insurance plan, requiring employers to provide paid family and medical leave, making it easier for employees to join labor unions and allowing bankruptcy judges to change mortgage payments to keep homes out of foreclosure. A majority of middle-class adults – whether they are Democrats, Republicans, or independents and whether they are supporters of John McCain or Barack Obama for President –

Majorities of middle-class Republicans and Democrats support progressive policies

	Republicans	Democrats	Total*
National health insurance plan available to all Americans at an affordable cost Excellent/good idea	57%	91%	75%
Require employers to provide paid family and medical leave Excellent/good idea	63%	84%	71%
Allow individuals who entered the U.S. illegally as children to apply for legal residency if they go to college or serve in the military and have no criminal record Excellent/good idea	55%	68%	61%
Allow bankruptcy judges to change mortgage payments to prevent foreclosure Excellent/good idea	55%	71%	62%

* Total includes independents

believe that these policies represent good ideas for the country. Regardless of party affiliation or presidential preference, these Fearful Families think largely alike.

Yet there is a profound disconnect between the nation’s legislators and their middle-class constituents. While two-thirds of respondents say they try to follow what Congress is doing to address their needs at least somewhat closely, most cannot name a single law passed by Congress over the last two years that has benefited their household. Asked about specific pieces of

legislation, middle-class adults have a clear sense of what they support or oppose, but generally do not know how their congressional representatives voted on these issues.

Three out of four middle-class adults say they only receive communications from their member of Congress at election time – if they hear from them at all. Middle-class adults have an overwhelmingly negative perception of the job Congress is doing to represent the interests of Fearful Families like their own.

The Drum Major Institute for Public Policy’s first annual Survey of the Middle Class and Public Policy (Survey) was conducted by Global Strategy Group (GSG). Between June 26 and July 2, 2008, GSG surveyed 800 adults

nationwide who self-identify as middle class, including individuals who consider themselves upper- or lower-middle class. The margin of error for the Survey at 95% confidence level is +/- 3.4% on the overall sample. The margin of error on sub-samples is greater.

Middle class shows strong support for policies recently considered by Congress, but most don’t know how their own representative voted

Allow employees to be represented by a union when a majority of co-workers sign cards requesting representation	
Would have wanted representative to vote for	68%
Do not know how representative actually voted	60%
Tax the income made by hedge fund managers at the same rate as others	
Would have wanted representative to vote for	68%
Do not know how representative actually voted	69%
Expand SCHIP to cover more children from low- and middle-income families	
Would have wanted representative to vote for	78%
Do not know how representative actually voted	48%

Middle Class Says the Country is Headed in the Wrong Direction

Middle-class households are pessimistic about the direction that the country is headed – only 12% say things are headed in the right direction, while an overwhelming majority of middle-class households (77%) say things are off on the wrong track. Pessimism is high across the board among members of Fearful Families: three in five respondents across all subgroups say the country is off on the wrong track, but Democrats (90% wrong track) and those who identify themselves as belonging to the lower middle class are especially disheartened (86% wrong track).

The economy and jobs dominates Fearful Families' household concerns (46% most/second most important issue facing the nation), followed by gas prices (35%), and the War in Iraq (32%). Just 4% of middle-class families mentioned taxes as a top concern, far below health care (17%) and education (6%).

Among those at the upper-end of the economic strata, the state of the economy is especially disconcerting. College-educated adults (54% most/second most important issue facing the nation) as well as households earning greater than \$75,000 per year (52%) are most likely to cite the economy and jobs as one of the most pressing issues facing the nation.

When it comes to gas prices specifically, adults are skeptical that gas prices will normalize – despite regular reports of Hollywood breakups, 56% of households believe that Brangelina is more likely to celebrate their 25th anniversary (56%) than gas prices are to return to \$3 per gallon (19%). (Another 18% believe neither option will come to bear.)

Middle-class households are feeling the pinch from these tough economic times. Less than two in five (38%) middle-class respondents say they live comfortably. One-third (34%) say they meet their basic expenses each month with just a little left over for extras, while one-quarter (26%) of middle-class adults would say they just meet their basic expenses (17%) or have trouble meeting their basic expenses each month (9%).

While most American households would classify themselves as middle class (upwards of 80% of households contacted describe themselves as middle class), the middle class as a group is far from homogeneous. As the table below shows, those who consider themselves “upper” middle class seem to live more comfortably than their “middle” or “lower” middle-class counterparts. Seniors, despite living on fixed incomes, express more comfort with the economic situation than their younger counterparts.

Financial Situation

	Live Comfortably	Meet Expenses – Little Left Over	Just Meet Expenses	Having Trouble Meeting Expenses
Ages 18-44	34%	40%	16%	10%
Ages 45-64	38%	35%	15%	10%
Ages 65+	50%	23%	20%	7%
Upper Middle Class	68%	25%	3%	3%
Middle Class	38%	35%	19%	6%
Lower Middle Class	13%	41%	25%	21%
Parents (Kids <18)	30%	41%	18%	10%
Non-Parents	43%	31%	16%	9%

Middle Class Disapproves of Congressional Job Performance

Impressions of Congressional representatives are similarly bleak. *Adults overwhelmingly disapprove of the job Congress is doing representing the interests of middle-class Americans, both Democrats and Republicans.. And in a stunning break from the conventional wisdom of politics, these individuals have only slightly better impressions of the job their own representative is doing protecting their interests, whose performance ratings are far below the threshold that is generally necessary for reelection.*

Middle-class adults split in their impressions of Democrats and Republicans in Congress.

- Middle-class Americans are just as likely to have favorable (45%) as unfavorable (40%) impressions of Democrats in Congress. Another 15% feel they do not know enough about Congressional Democrats to rate their impressions.
- Impressions of Republicans in Congress are slightly worse, and only 39% of middle class adults have a favorable impression of Republicans in Congress, compared to 46% who have a negative impression. Another 15% feel they do not know enough about Congressional Republicans to rate their impressions. Adults are almost three times as likely to have a strongly unfavorable impression of Republicans in Congress (23%) as they are to have a strongly favorable impression (9%).

Individuals are slightly more favorable in their impressions of their own representative than Congress overall, but fewer people are actually able to rate their impressions of their member. Specifically, half of middle-class households (52%) have a favorable impression of their own representative in Congress, while 21% have an unfavorable impression, and 27% do not know enough about their representative to rate their impressions.

Job performance ratings for the U.S. Congress are even considerably more negative than overall favorability ratings. Three-quarters of middle-class adults (77%) disapprove of the job Congress is doing representing the interests of the middle class, including 36% who strongly disapprove. Only 20% approve of the job Congress is doing.

A plurality of adults (46%) disapprove of the job their own representative is doing representing the interests of the middle class, while 43% approve of the job their representative is doing.

Upper middle-class households have a slightly more positive impression of the job their representative is doing on their behalf than their more downscale counterparts, though impressions are still far from favorable:

- Forty-eight percent (48%) of adults from upper middle-income households approve of the job their representative is doing, while 47% disapprove.
- Forty-three percent (43%) of adults from middle-income households approve of the job their representative is doing, while 44% disapprove.
- Thirty-nine percent (39%) of adults from upper middle-income households approve of the job their representative is doing, while 48% disapprove.

Job performance ratings drop further when individuals are probed on specific issues facing the country and the middle class. ***Middle-class adults give their member of Congress majority negative ratings for the job they are doing on every issue tested, including economic development, the home mortgage crisis, and gas and energy prices.***

Congressional Job Approval

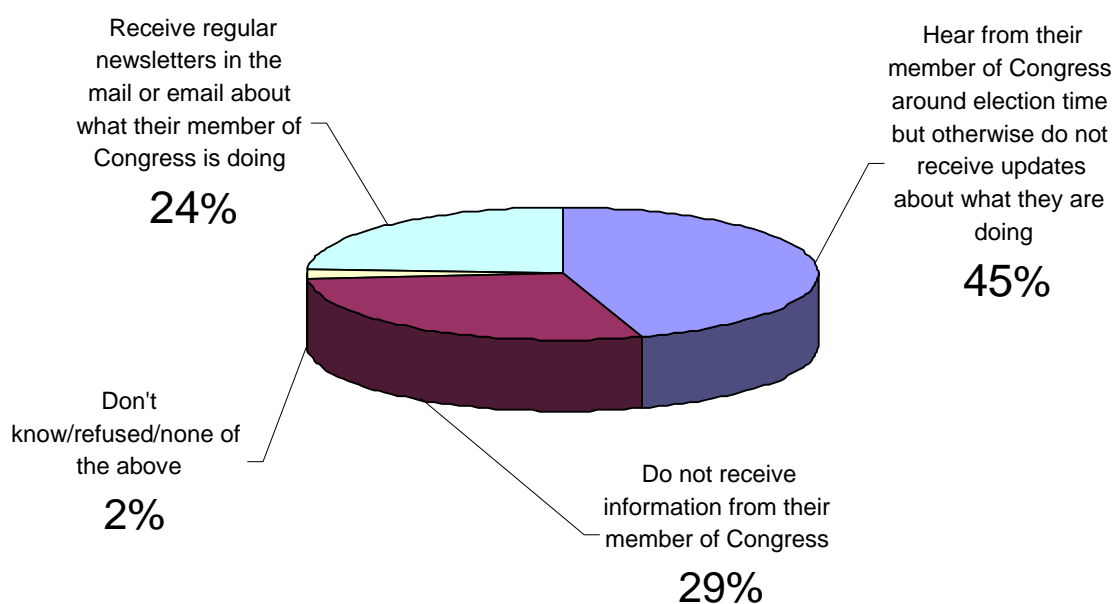
	Net Excellent/Good	Net Not so Good/Poor	Don't Know
Promoting economic development	36%	50%	14%
Making prescription drugs affordable	33%	54%	13%
Taxes on the middle class	32%	55%	13%
Ensuring the safety of consumer products imported from other countries	30%	51%	19%
Encouraging businesses to keep jobs at home	29%	54%	18%
Making college education affordable	28%	54%	18%
Creating responsible energy policies	27%	57%	16%
Making health care affordable for all Americans	23%	64%	14%
Addressing the issue of immigration	20%	62%	18%
The home mortgage crisis	19%	59%	22%
Preventing good jobs from moving overseas	17%	64%	19%
Gas and energy prices	12%	76%	12%

Middle Class is Unfamiliar with Congressional Votes

Middle-class households know relatively little about what their Congressional representatives are doing in Washington on their behalf. Few can name a single piece of legislation passed by Congress in the past year or two that has benefited their family. Two-thirds (66%) of adults say they try to follow what Congress is doing to address the needs of middle-class families either very or somewhat closely. Conversely, one-third (33%) admit to not really following the news out of Washington.

But if adults want to know what their representative is up to in Washington, they need to track this information down on their own; a majority of middle-class adults either do not receive information from their member of Congress (29%) or only hear from their member around election time (45%). Only 24% receive regular newsletters from their representative in Washington.

Communication from Members of Congress



Three-quarters (72%) of middle-class Americans cannot name a single piece of legislation passed by Congress in the past year or two that benefits them and their family.

- Nineteen percent (19%) of all middle-class respondents point to the stimulus check or tax cuts as piece of legislation that helped them and their family.

- Twenty-four percent (24%) of suburban adults point to the stimulus package and tax cuts, but 67% are still unable to point to any legislation passed in the last year or two which has benefited their household.

When questioned about three specific pieces of legislation that came before Congress in the past year, most middle-class adults have a clear sense of how they would have wanted their elected representative to vote; however, most admit they have no idea how their own member actually voted.

60% of those who say they are likely to vote for John McCain for president favor legislation making it easier for employees to join unions even though Senator McCain voted for the filibuster that killed this bill. 60% of middle-class Republicans, and an even higher proportion of Democrats and independents, support the legislation.

Vote Preference and Familiarity

- Overall, 68% of middle-class adults would have liked their representative in the U.S. House to vote for legislation allowing employees to be represented by a union when a majority of coworkers sign cards saying they want to join that union. When the Employee Free Choice Act, which would have enacted this policy, came to a vote in June 2007 only 57% of representatives voted for it (the bill was then killed by a Senate filibuster).

Allowing employees to be represented by a union when a majority of coworkers sign cards saying they want to join that union

How would you have <i>liked</i> your rep. to vote?	Vote For	Vote Against	Don't Know
Total:	68%	23%	9%
Democrats:	80%	13%	7%
Republicans:	60%	32%	8%
Independents:	59%	27%	14%

Based on what you know, how <i>did</i> your rep. vote?	Vote For	Vote Against	Don't Know
Total:	24%	16%	60%

- 60% of middle-class adults did not know how their representative voted on this bill.
- Senator Obama was a co-sponsor of the Employee Free Choice Act and voted against the filibuster that killed it.

66% of middle-class Republicans and 67% of McCain supporters would like to see hedge fund managers get taxed at the same rate as others in their income bracket. Again, support for this measure was even stronger among Democrats, independents, and Obama supporters.

- Legislation equalizing taxes for hedge fund managers has come to the floor of the House at least twice in the past two years, both times as a way to offset a freeze on the Alternative Minimum Tax, which could affect many middle-class families. Had the bills passed, taxes on the middle class would have been kept lower without increasing the deficit. Even when the benefits to middle-class families were not described, however, 68% of middle-class adults wish their representative in the U.S. House had voted to raise taxes on hedge fund managers, but only 55% of House representatives vote in the affirmative.

Vote Preference and Familiarity

Taxing the income made by hedge fund managers at the same rate as other people in their income bracket

How would you have <i>liked</i> your rep. to vote?	Vote For	Vote Against	Don't Know
Total:	68%	16%	15%
Democrats:	70%	15%	15%
Republicans:	66%	18%	16%
Independents:	68%	19%	13%

Based on what you know, how <i>did</i> your rep. vote?	Vote For	Vote Against	Don't Know
Total:	16%	15%	69%

- 69% of middle-class adults do not know how their representative voted on this issue.
- Neither Senator Obama nor Senator McCain was present when this bill was voted on in the Senate. Senator Obama has said he supports taxing the income made by hedge fund managers at the same rate as others in their income bracket, while Senator McCain has stated that he opposes the measure.

62% of middle-class Republicans and 60% of McCain supporters would like to see federally-funded health insurance expanded to cover more children from low- and middle-income families. The measure also has overwhelming support from Democrats (90%), independents (77%) and Obama supporters (92%).

- Of the three pieces of legislation discussed, middle-class adults were most familiar with their representative's vote on SCHIP. 52% said they knew their representative's record on this issue.

Vote Preference and Familiarity

Expanding SCHIP, a federally-funded health insurance program, to cover more children from low- and middle-income families

- 78% of middle-class adults would like to see Congress vote to expand SCHIP. When two slightly different versions of the SCHIP bill came to a vote in the House, about 63% of representatives voted in favor of the legislation. Both versions of the bill were vetoed by President Bush.

How would you have *liked* your rep. to vote?

	Vote For	Vote Against	Don't Know
Total:	78%	16%	6%
Democrats:	91%	4%	5%
Republicans:	62%	30%	7%
Independents:	77%	17%	6%

Based on what you know, how *did* your rep. vote?

Total:	38%	14%	48%
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- Neither Senator Obama nor Senator McCain was present when this bill was voted on in the Senate. Senator Obama is on record supporting SCHIP expansion, while Senator McCain praised President Bush's veto of SCHIP legislation.

National Health Insurance Tops List of Most Desired Policies of the Middle Class

The middle class wants a national health insurance plan. Adults support a range of policy proposals intended to improve the lives of the middle class, the most popular of which is a proposal to make a national health insurance plan available to all Americans at an affordable cost. Three-quarters (75% excellent/good idea) of middle-class adults think a national health insurance plan is a good idea for the country, including 41% who think it is an excellent idea.

Other proposals to expand health coverage also received broad middle-class support, including requiring employers who do not provide health coverage to pay into a national fund to cover the uninsured (60%) and providing tax credits to individuals to purchase health insurance on their own (72%). Democrats strongly backed every proposal to broaden health coverage, including the tax credit proposal (81%) which most resembles John McCain's plan. While Republicans were also supportive of health care tax credits (64%), a majority of Republicans (57%) opposed the idea of an employer assessment to cover the insured.

Policy Proposals				
(Ranked by % excellent)	Excellent	Good	Net	
Making a national health insurance plan available to all Americans at an affordable cost	41%	34%	75%	
Requiring employers who do not offer employees health insurance to contribute a percentage of payroll costs toward a national health plan which will cover the uninsured	25%	35%	60%	
Providing tax credits to individuals and families who do not receive health insurance through their job to offset the cost of paying for private coverage	26%	46%	72%	
Requiring employers to provide paid family and medical leave for serious personal or family illness or the birth or adoption of a child	29%	42%	71%	
Allowing bankruptcy judges to change mortgage payments due on a homeowner's primary residence in order to prevent foreclosure	19%	44%	62%	
Allowing individuals who entered the US illegally as children to apply for legal residency if they go to college or serve in the military and do not have a criminal record	19%	42%	61%	

Requiring employers to provide paid family and medical leave was also a highly popular proposal (71% excellent/good idea) and was strongly favored by supporters of both Barack Obama (81%) and John McCain (63%).

A proposal to allow individuals who entered the U.S. illegally as children to apply for legal residency if they go to college or serve in the military and do not have a criminal record was supported by 61% of middle-class adults, including a majority of supporters of both presumptive presidential candidates. This proposal came before the U.S. Senate on several occasions as the DREAM (Development, Relief and Education for Alien Minors) Act. Both Senators McCain and

Obama have co-sponsored the bill in the past and Senator Obama voted in favor of the most recent bill. Senator McCain missed the most recent vote.

A majority of middle-class adults (62%) say it is a good idea to allow bankruptcy judges to change the mortgage payments due on a homeowner's primary residence in order to prevent foreclosure. A majority of both Obama (73%) and McCain (55%) supporters favored the idea. When this proposal came to the floor of the Senate in April 2008 as the Helping Families Save Their Homes in Bankruptcy Amendment, it was killed by a procedural vote. Neither presumptive presidential nominee was present to cast a vote.

The Drum Major Institute for Public Policy is a non-partisan, non-profit think tank generating the ideas that fuel the progressive movement. From releasing nationally recognized studies of our increasingly fragile middle class to showcasing progressive policies that have worked to advance social and economic justice, DMI has been on the leading edge of the public policy debate. Founded during the civil rights movement, DMI equips those on the frontlines with the tools to more effectively advance an agenda of social and economic justice, including research, model policies, policy-driven Web sites, and even young talent.

For more information, visit www.drummajorinstitute.org.