

VOLATILE VOTERS

Declining Living Standards and Non-College- Educated Whites

Ruy A. Teixeira and Joel Rogers

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THE AUTHORS

Ruy A. Teixeira is director of the Politics and Public Opinion Program at the Economic Policy Institute. He is the author of numerous books and articles on American politics and labor markets, including *Why Americans Don't Vote* (Greenwood 1987), *The Disappearing American Voter* (Brookings 1992) and *The Politics of the High Wage Path* (Economic Policy Institute 1994). Before coming to EPI, Teixeira was a visiting fellow at the Brookings Institution and director of political studies at the Progressive Foundation.

Joel Rogers is professor of law, political science, and sociology at the University of Wisconsin-Madison. He is the author or co-author of numerous books and articles on American politics, political theory, and comparative political economy. His most recent books are *Works Councils: Consultation, Representation, and Participation in Industrial Relations* (University of Chicago 1995) and *Associations and Democracy* (Verso 1995). Rogers was recently named a MacArthur Foundation fellow.

The two authors plan several more papers and a book about the politics of declining living standards in the United States.

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EXECUTIVE SUMMARY

American voters have become notably volatile in the 1990s. First, in 1992, they shattered the Republican presidential coalition. Then in 1994 they took away 52 House seats from the Democrats and gave Republicans control of Congress for the first time in 42 years. And now, as the 1996 elections approach, they look ready to re-elect a Democratic president and possibly return a Democratic majority to Congress.

Some interpret this volatility as suggestive of big ideological swings in the electorate; others say changing values are behind these electoral shifts; still others point to the increased role of religion in politics. But in this paper we argue that these explanations are only partial, and that *the chief cause of voter volatility lies in declining living standards and the persistent failure of either political party to successfully address this problem.*

Among our findings are the following:

- The group that is driving this political volatility consists of the non-college educated (particularly non-college-educated whites), and it is this group for whom living standards have deteriorated the most. The sharp swings among non-college-educated whites include a decline of 21 percentage points in support for George Bush between 1988 and 1992, a decline of 13 points in support for Democratic House candidates between 1992 and 1994, and a decline of 14 points in support for Bob Dole between early 1995 and mid-1996.
- In 1992, Perot voters were overwhelmingly non-college-educated whites (67%), who were experiencing sharper declines in wages than were Bush or Clinton voters. Perot voters were also convinced that the United States was in a long-term decline, were likely to believe the next generation would have a lower standard of living, and were likely to be economic nationalists in their attitudes toward trade.
- Despite some healthy economic indicators, voters in the 1994 election had much to be concerned about. Between 1992 and 1994, the median wage fell 3.3%, even as the economic expansion continued. Consistent with post-1979 economic trends, this wage decline was not equally distributed, with wages for the non-college educated declining in line with the median wage trend, while wages for the college educated actually increased. Finally, median household income declined slightly in the two-year period, leaving it 6.6% below its 1989 prerecessionary peak.
- In the 1994 election, declining support for the Democrats was concentrated exclusively among the non-college educated, the chief victims of these economic trends. Compared to 1992, support for Democratic House candidates declined 10 percentage points among high school dropouts, 11 points among high school graduates, and 12 points among those with some college. It held steady among those with college degrees.
- The shift away from the Democrats in 1994 was most pronounced among non-college-educated whites. Among white men with a high school education, Democratic support declined 20 percentage points (to 37%) and among white men with some college, Demo-

cratic support declined 15 points (to 31%). But non-college-educated white women also deserted in droves: among both white women with a high school diploma and those with some college, Democratic support dropped 10 percentage points.

- Since the 1994 election, the median wage has continued to decline: it is now 4.6% below its 1989 level. These trends have contributed to a climate of economic anxiety within which Republican attempts to cut Medicare and other government supports seem intolerable. As a result, non-college-educated whites have shifted from strong support for Dole (54-42%) in early 1995 to strong support for Clinton (55-40%) in mid-1996.
- Factors other than declining living standards have played and do play a role in this electoral volatility, but the role is smaller than generally supposed. Take ideology, for example: while a 7 percentage-point increase in the proportion of conservatives in the electorate can account for a minor part of the Democratic decline in the 1994 election, a huge anti-Democratic shift among economic "pessimists" in that election accounts for much more. And while values, broadly defined, may have helped set the context for the 1994 election, a values *issue* like crime had no statistically discernible effect on voters' support for House candidates.

The Democrats, with their historic commitment to activist government and the economic interests of the average worker, might seem best situated to formulate an approach to voters that addresses the problem of living standards and secures the support of the non-college-educated on a continuing basis. So far they have not succeeded in doing so, for several reasons.

The first is the general dominance of an anti-government story about declining living standards, a story that tilts the political terrain in favor of the Republicans. The second is the weakness of the Democratic approach to countering that story. This approach seeks to shift the political terrain in two ways—by improving the party's negative image, and by blaming declining living standards on a neutral process of globalization and technological change, about which little can or should be done other than adapt and wait for living standards to rise again. Unfortunately, the image part of the approach leaves untouched the dominant, anti-government story about the decline in living standards. And the globalization argument merely promotes hopelessness.

The final reason the Democrats have been unable to shift the political terrain is that they have ceded so much ground to the Republicans that there is little they can do—or even talk about doing—to raise living standards. Indeed, they have imprisoned themselves, along with the Republicans and most of the economics profession, in an "iron triangle" of economic policy principles (a high-unemployment, high-interest-rate, slow-growth macropolicy; a commitment to a balanced budget; and free trade without labor and social standards) that effectively excludes any active attempt to improve the lot of the average American.

For Democrats to have a chance at long-run success, they must build a political alternative that breaks out of this iron triangle, raises living standards, and consolidates support among non-college-educated, particularly white, voters. Recent developments suggest a promising direction. A strand of public thinking is emerging about declining living standards that is challenging the dominance of the anti-government story. This thinking focuses on the ways in which corporations and other dominant interests are taking advantage of economic change to enrich themselves and break down the institutions that have enabled ordinary workers to prosper. Indeed, this "new economy populism" is now so powerful that it sometimes outweighs anti-government sentiments in polling results. More importantly, it provides a compelling rationale for breaking out of the iron triangle and *asserting the centrality of government action to raise living standards*.

But if this new economy populism provides a potentially effective rationale for government action and programs, it runs the risk of seeming detached from the basic values that animate so many voters and anchor their lives. Our analysis also indicates that, for most voters, particularly non-college-educated voters, economics is a values issue, and it must be dealt with in those terms. Therefore, we believe that an effort must be made to synthesize new economy populism and the core values—loyalty, fairness, hard work, and responsibility—that most Americans share. In fact, only if these voters believe that their values and their values-based economic struggles are truly understood by the party of government, and that government action can and will be designed to help these struggles, are they likely to return in large numbers to the Democratic Party.

Of course, there is no guarantee the Democrats will embrace this "new synthesis" anytime soon. Perhaps it will take another 1994-style defeat to convince them their current strategy is weak and that the issue of living standards cannot be avoided. They can only hope that, by that time, non-college-educated voters, especially white non-college-educated voters, are still listening to Democrats, instead of Pat Buchanan, Ross Perot, or a new breed of supply-side Republicans smart enough to leave Medicare alone while cutting taxes and less-popular government programs. In that case, it could be a long road back.

INTRODUCTION: VOLATILE VOTERS

National U.S. politics has shown remarkable volatility over the past four years. In 1992, the Republican presidential coalition shattered—with George Bush registering the third-largest decline in support for an incumbent president in history. In 1994, the Democratic congressional coalition was crushed—the Democrats' 52-seat loss, the greatest since 1946, delivered both houses of Congress to the Republicans for the first time in 42 years. But since 1994, Republican popularity has eroded so dramatically that, in mid-1996, the Democrats appear to have a distinct advantage going into the fall election.

Thus, in successive elections, the bastions of both parties—presidential for the Republicans and congressional for the Democrats—crumbled. And the pendulum has swung back yet again prior to the next national showdown.

What is driving this volatile behavior? In this paper, we argue that the chief cause of such exceptional volatility lies in declining living standards and the persistent failure of either political party to successfully address this problem. We develop our argument through analysis of the 1992 and 1994 election results, as well as political developments since 1994. We then apply our analysis to prospects for the 1996 presidential election and beyond.

Key findings from this report are the following:

- The living standards of the non-college educated have deteriorated the most, and it is non-college-educated voters, particularly non-college-educated *white* voters, whose sharp swings in political support drive this volatile political climate.
- Sharp swings among non-college-educated whites include a decline of 21 percentage points in support for George Bush between 1988 and 1992, a decline of 13 points in support for Democratic House candidates between 1992 and 1994, and a decline of 14 points in support for Bob Dole between early 1995 and mid-1996.
- In 1992, Perot voters were overwhelmingly non-college-educated whites (67%), who were experiencing sharper declines in wages than were Bush or Clinton voters.
- Between 1992 and 1994, the median wage fell 3.3%, despite the continuing economic expansion. Median household income also declined slightly in the two-year period, leaving it still 6.6% below its 1989 prerecessionary peak.
- In the 1994 election, declining support for the Democrats was concentrated exclusively among the non-college educated, the chief victims of these economic trends. Compared to 1992, support for Democratic House candidates declined 10 percentage points among high school dropouts, 11 points among high school graduates, and 12 points among those with some college, while holding perfectly steady among those with college degrees.
- The shift away from the Democrats in 1994 was most pronounced among non-college-educated whites. Among white men with a high school education, Democratic support declined 20 percentage points (to 37%); among white men with some college it declined

15 points (to 31%). But non-college-educated white *women* also deserted in droves: among both white women with a high school diploma and those with some college, Democratic support dropped 10 percentage points.

- Since the 1994 election, the median wage has continued to decline: it is now 4.6% below its 1989 level. And the non-college educated continue to bear the brunt of this downward trend, with their wages down 5% since 1989, compared to college graduates and those with advanced degrees, who have *gained* 2% and 3% respectively.
- These trends have contributed to a climate of economic anxiety within which Republican attempts to cut Medicare and other government supports seem intolerable to voters. Thus, non-college-educated whites have shifted from strong support of Bob Dole (54-42) in early 1995 to strong support of Bill Clinton (55-40) in mid-1996.
- The combination of economic anxiety and still-existing anti-government sentiment makes this volatile group quite susceptible to a Republican counterattack based on cutting taxes and less popular government programs instead of Medicare. And if non-college-educated whites revert back to their 1994 levels of Democratic support, simulations show that the Democrats cannot realistically make up that shortfall by increased support among upscale whites.
- In 1992, voters with pessimistic views about the economy voted strongly against the incumbent George Bush. And in 1994, voters with pessimistic views of the economy voted strongly against the Democrats, the "incumbent" congressional party. In 1996, if voters follow the same pattern and vote against the incumbent president based on their views of the economy (right now even voters who think the economy is doing poorly tend to support Clinton), Clinton will lose.
- The role of ideology in recent elections has been exaggerated. For example, while a seven percentage-point increase in the proportion of conservatives in the electorate can account for a minor part of the Democratic decline in the 1994 election, a huge anti-Democratic shift among economic pessimists in that election accounts for much more.
- The role of values has also been exaggerated. For example, while values, broadly defined, may have helped set the context for the 1994 election, a values *issue* like crime had no statistically discernible effect on voters' support for House candidates in that election.
- Turnout in the 1994 election does not appear to have been a major factor in the Democratic defeat. For example, the failure of blacks and the poor to turn out in the relative numbers they did in 1990 can account for only 8% of the decline in the Democratic vote.
- The Democrats can potentially capture the loyalty of non-college-educated whites by utilizing an emerging strand of public thinking about declining living standards. This new strand of thinking focuses on the ways in which corporations and other dominant interests are taking advantage of economic change to enrich themselves and break down the norms that enabled ordinary workers to prosper. Indeed, this "new economy populism" is now so powerful that it sometimes outweighs anti-government sentiments in polling results.

PEROT VOTERS AND THE 1992 ELECTION

While the dropoff in Republican support in 1992 was of historic proportions, Democrats were not the direct beneficiary. Clinton received only 43% of the popular vote, actually down slightly from the 45% Dukakis received in 1988.¹ The “party” that gained was Ross Perot—who claimed 19% of the vote, the most for a third party or independent candidate since 1912. Voters thus not only rejected the incumbent president in historic numbers, but also embraced a maverick candidate outside of the two-party system at almost unprecedented levels.

Those who made these choices most directly—Perot voters themselves—provide a privileged point of entry to understanding current electoral dynamics. Who were these people who deserted the Republicans, but failed to attach themselves to the Democrats? What were their demographics, material circumstance, attitudes, and beliefs?

Reflecting the basic structure of the U.S. electorate,² Perot voters were overwhelmingly (76%) non-college educated³—as were the supporters of Bush and Clinton (both over 70%). More significantly, Perot’s supporters were drawn heavily from the ranks of *non-college educated whites (NCEWs)* (Table 1): 67% of Perot’s overall support came from this NCEW group, compared to 63% of Bush’s support and just 48% of Clinton’s.

A second characteristic of Perot voters was their *rapidly deteriorating economic position*. Analysis of Current Population Survey (CPS) wage data merged with the 1992 VRS exit poll reveals that, while both Clinton and Perot voters came from groups that experienced wage losses in the 1980s and early 1990s, Perot voters’ losses were uniformly larger.⁴ This was partly because Perot voters included a high concentration of NCEWs *and* because NCEW Perot voters did worse than other NCEWs (see Table 2).

TABLE 1
Proportion of Non-College-Educated Whites* Among 1992 Presidential Voters

Presidential Vote	Percent of Voters Who Were Non-College-Educated Whites
Perot	67%
Bush	63
Clinton	48

* White non-Hispanic only.

Source: Authors’ analysis of 1992 VRS exit poll and 1992 Bureau of the Census Voter supplement file.

For example, NCEW Perot voters lost 9.7% in real wages between 1979 and 1992, including 2.4% in wage losses that took place in the year immediately prior to the 1992 election. In every period examined, the level of wage losses sustained by NCEW Perot voters was higher than among NCEW Clinton or Bush voters.

A third characteristic of Perot voters—hardly surprising in light of the economic data cited above—was their *gloomy outlook on the economy* and its likely future path. In the 1992 exit poll, 70% of Perot voters said they thought the economy was in long-term decline rather than a temporary downturn (at the time, this pessimism was shared by Clinton voters). And in terms of prospects for the future generation, Perot voters were easily the gloomiest: 50% said they thought life for the next generation would be worse, compared to 40% for Clinton voters and 28% for Bush voters.

This pattern was confirmed by later polls. A *Los Angeles Times* poll conducted in June 1993 showed 67% of Perot supporters expecting the next generation of Americans to have a worse standard of living than today's, compared to 55% of Republican supporters and 39% of Clinton supporters.

TABLE 2
Wage Losses Among White* Non-College-Educated Presidential
Voters, Selected Time Periods

Time Period	Cumulative Wage Loss (Percent)		
	Perot Voters	Clinton Voters	Bush Voters
1979-92	- 9.7%	-8.8%	-7.8%
1988-92	- 5.1	-4.8	-4.9
1989-92	- 3.9	-3.3	-3.4
1990-92	- 3.4	-3.0	-3.1
1991-92	- 2.4	-2.1	-2.2

* White non-Hispanic only.

Source: Authors' analysis of data from 1992 VRS exit poll and 1979, 1988, 1989, 1990, 1991 and 1992 Current Population Survey Outgoing Rotation Group (ORG) files.

Note: Wage rates were deflated using CPI-U-X1 deflator. Exit poll sample was reweighted by education to reflect voter education distribution in November 1992 CPS voter supplement file. Voter group wage changes were estimated by assigning individual exit poll respondents the wage change corresponding to their age-education-race-gender group and then averaging wage changes over voter groups. Due to lack of relevant data, those 65 and over were excluded from calculations.

A fourth characteristic of Perot voters was their *economic nationalism*. The 1992 exit poll showed that Perot voters, by a 55% to 40% margin, believed that trade lost more jobs than it gained, a view they shared with Clinton voters. Later polling, especially around the time of the NAFTA vote, confirmed this economic nationalism—indeed, it suggested that it had strengthened, since Perot voters/supporters were easily the most adamantly opposed to the free trade agreement.⁵

The final key characteristic of the Perot voters was the one most widely cited in the press and political discussion: their relative conservatism on both values issues and the role of government. But a close reading of the data suggests that Perot voters were hardly conservative ideologues on either the sanctity of traditional values or the wonders of the market. Instead, their “conservatism” was largely driven by a sense that *middle class values were no longer being rewarded* and that *operationally the government was not doing its job* and was therefore a waste of tax money (as opposed to not having a job to do, as free-market ideologues would contend).

Thus, while Perot voters tended to agree with Bush voters on the desirability of a government that provides less in services but costs less in taxes (72% and 79% support, respectively) and were most likely to cite the budget deficit as a voting issue, their views on the utility of government activism tended to be midway between those of Bush and Clinton voters.⁶ Asked if government neglect of domestic problems (as opposed to a values breakdown) could be held responsible for social problems in the country, for example, 50% of Perot voters blamed government neglect, compared to 25% of Bush voters and 70% of Clinton voters. Similarly, 50% of Perot voters agreed that government should do more to solve national problems, a view held by 36% of Bush voters and 73% of Clinton voters.

And in the traditional “culture wars,”⁷ Perot voters looked very much like Clinton supporters. For example, Perot voters’ support for abortion rights was comparable to that of Clinton voters. In addition, a majority of both Perot and Clinton voters endorsed a “hands off” posture for government in promoting values. This suggests a libertarian bent to Perot voters’ views on cultural values.

But on issues of *middle-class* values—particularly the sense that those who cleave to those values and work hard are not being rewarded properly—Perot voters and Bush voters were of the same mind. For example, in the 1993 Greenberg/DLC poll, 76% of Perot voters and 75% of Bush voters (compared to 59% of Clinton voters) agreed that “it’s the middle class, not the poor, who really get a raw deal today.” By 69% and 70%, respectively, Perot and Bush voters also endorsed the view that “too many of the poor are trying to get something for nothing” (compared to 53% of Clinton voters).

Taken together, these demographic, economic, and attitudinal data help explain the worldview and behavior of Perot voters. They were, again, primarily non-college-educated whites who objectively were experiencing, and recognized themselves to be experiencing, a

sustained erosion of their living standards. This erosion had come despite their hard work and substantial tax contributions—leading to the view that the first was unrewarded (“middle class values in decline”) and that current government policies were not particularly beneficial to them. If this is a “conservative” view at all, it was driven less by ideological commitment than a need to make sense of their life experience as NCEWs in America over the last 15-20 years.

Their electoral behavior followed. Fed up with Bush and the Republicans because their administration had only seemed to accelerate the decline in living standards, but unable to embrace the Democrats because that party was implicated in promoting both values and government that did not seem to benefit them, they struck out on their own and embraced what seemed a radical alternative.

THE 1994 ELECTION

What led from the Democrats' 1992 election victory to their catastrophe in 1994? We believe that basic economic trends, and the failure to even appear to want to confront them through a coherent legislative or policy agenda, were the key.

Economic Trends

We have already stressed the importance of long-term wage decline, particularly for non-college-educated workers, as it affected the 1992 election. But given the relatively strong economic growth and low unemployment of the 1992-94 period—an economic performance repeatedly highlighted by Clinton administration officials—many hoped that this long-term trend would be reversed.

However, the miserable experience of wage and income decline continued through the first two years of the Clinton administration. For example, between 1992 and 1994, the wage of the median worker declined an additional 3.3%. Median household income also declined 0.3% over the same period.⁸

This decline was not equally distributed. Over 1992-94, wages for the non-college educated declined in line with the median wage figures just quoted, but wages for those with a four-year college degree or more actually increased. Indeed, women with advanced degrees saw an increase of 8% in the two-year period. Unfortunately for the Democrats, those seeing real improvement were a relatively small share of the population; for the rest, continued losses—at best, a slowdown in decline—only left them further in the hole.

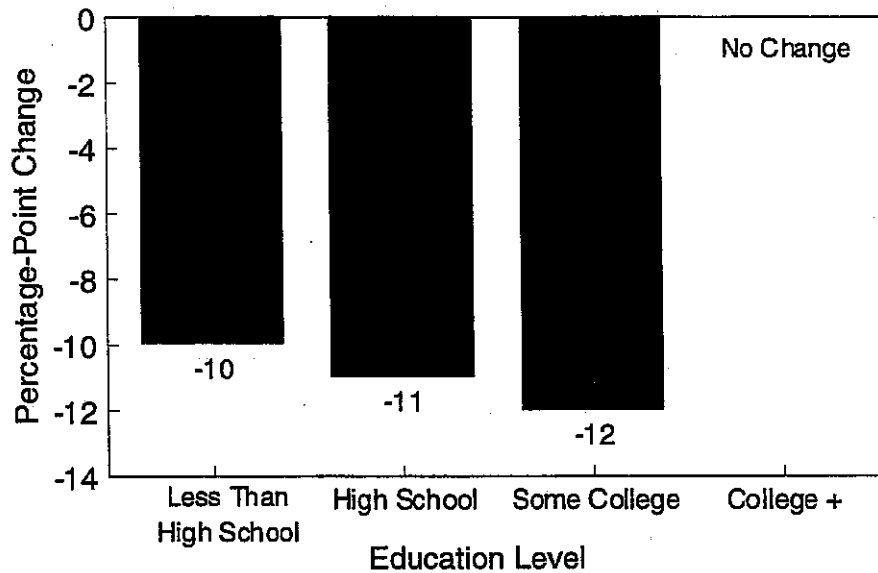
Comparing wage and income in 1994 with 1989—the peak of the last business cycle—puts the numbers in some relief. Over the period, the wage losers were high school dropouts (down 5%; men down 9%), high school graduates (down 2%; men down 4%); and those with some college (down 6%; men down 7%). The qualified winners were four-year college graduates (up 2%; women up 6%) and those with advanced degrees (up 4%; women up 9%).⁹ With losers vastly outnumbering winners, however, median household income was still 6.6% below its 1989 level. Thus, despite the economic recovery touted by the Clinton administration, the situation of the average voter had failed to improve.

Coming on top of the particularly severe income and wage losses of the 1990-91 recession, not to mention the overall deterioration in living standards since 1979, this was a bitter pill for the average voter—particularly the average NCEW voter—to swallow.

Legislative and Policy Battles

Clinton campaigned in 1992 on an economic populist program of "Putting People First." The administration promised a deliberate reversal of misfortune for average Americans, led by an ambitious program of domestic investment. But this investment program was abandoned under

FIGURE 1
Change in Democratic Support by Education Group,
1992-1994



Source: 1994 VNS exit poll, 1992 VRS exit poll.

TABLE 3
Erosion of Democratic Congressional Support Among Whites*

	<u>Percent Vote Democratic</u>			Percent Change in Real Hourly Wage, 1979-94
	1992	1994	Change 1992-94	
White Men				
High School Dropout	64%	53%	-11%	-25%
High School Graduate	57	37	-20	-15
Some College	46	31	-15	- 9
College Graduate	43	37	-6	+8
White Women				
High School Dropout	58%	53%	-5%	-13%
High School Graduate	54	44	-10	-2
Some College	50	40	-10	+7
College Graduate	50	52	+2	+21

* White non-Hispanic only.

Sources: 1994 VNS exit poll, 1992 VRS exit poll, 1979 and 1994 CPS earnings files.

down 27 percentage points, from 52% to 25% support. (White college-educated Perot voters' support also declined by about 10 percentage points.)

So, desertion of the NCEWs was the story behind the Democratic debacle in 1994—a pattern of desertion that is consistent with the differential effects of economic trends in the 1980s and 1990s. Indeed, among whites, as the data in Table 3 show, it was the non-college-educated, in particular non-college-educated men, who suffered the largest wage declines over the 1979-94 period and who showed the largest drops in Democratic support.¹⁵

Analysis of wage data cross-linked to the VNS exit poll data further suggests this connection between microeconomic trends and the 1994 election. These data show that the Perot voters who voted Republican in 1994 were from groups under the most economic stress, with estimated post-1979 wage losses more than double those of Perot voters who voted Democratic.

Still a Puzzle?

For some, however, this close correlation of declining living standards and Democratic desertion may still seem paradoxical. Why would those comparatively disadvantaged by the economy desert the Democrats—historically the party of the common man and woman—for the Republicans—traditionally the party of the relatively well-off and privileged? To desert the Democrats for Perot is one thing; to leave for Republicans might seem something entirely different.

Who takes the political blame for adverse changes in the economy and in society, however, depends not only on timing—on whose watch the changes occurred?—but on the story the average person believes about them. This is particularly true for long-term changes of the sort that concern us here. While changes in the business cycle (booms and recessions) generally simply benefit (or hurt) the incumbent party, such secular shifts as declining living standards may affect either the incumbent or challenger party, depending on where the finger of blame is pointed.¹⁶ Thus, the incumbent Democrats, “party of the common man,” got hurt by declining living standards in 1994 because the *story* much of the public believed about this long-term change cast the Democrats as the villain.

Indeed, at least as far back as the late 1970s, the dominant story among the general public has been that long-term decline in living standards is caused—directly or indirectly—by useless government spending (especially on the poor and minorities), inefficient and obtrusive public administration, high taxes, selfish behavior by interest groups, and excessive social tolerance and valuelessness. This viewpoint is richly illustrated by a recent *Washington Post*/Kaiser Family Foundation/Harvard University survey. The study (1996) shows that the public blames both government action *and* inaction¹⁷ for the decline in living standards, including especially widening inequality and the lack of good jobs.¹⁸

Since the Democrats are the party of government, as well as the party of poor people, liberal interest groups and social tolerance, it is therefore the Democrats who tend to get the blame for declining living standards. And accepting this blame means that the Democrats start

most elections with two strikes against them.

This disadvantage does not mean they cannot win under the right circumstances; while generally dominant, the anti-government story is not always so. Thus, it was possible for Bush to be defeated in 1992 because his administration had become identified with declining living standards. But under normal circumstances, with the anti-government story dominating, the Democrats are likely to lose and lose badly, no matter what the rate of economic growth; hence, their trouncing in 1994 despite being at a relatively favorable point in the business cycle. Whatever the pro-incumbent effect of decent aggregate economic growth—again, not showing up as wage and income increases for much of the population—it was swamped by the anti-Democratic effect of long-term decline in living standards, a situation blamed on the government.

What About Ideology?

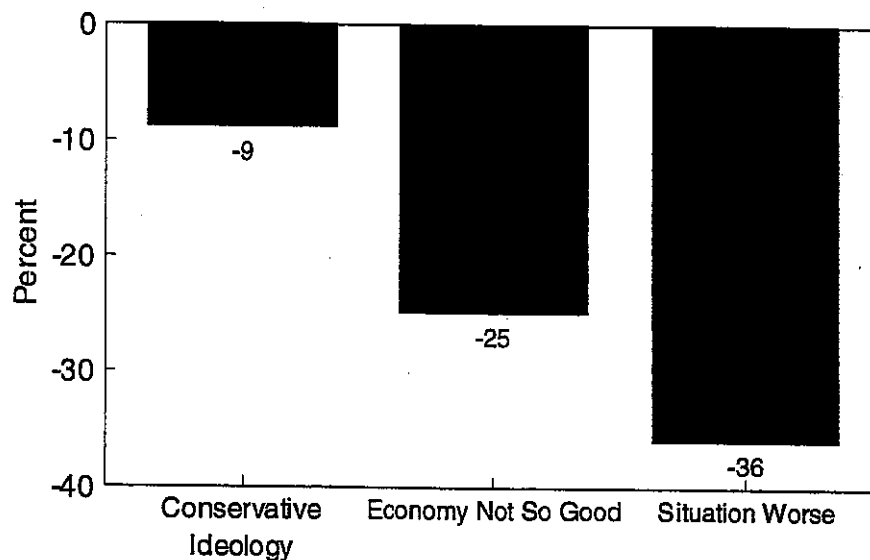
Even given our attention to the “story” that people believe, this interpretation of the 1994 election may strike many as insufficiently ideological. Some would argue that the relationship we observe between living standards and Democratic decline is spurious, that the real driving force behind the pro-Republican surge was increased ideological conservatism among voters. At first blush, the argument has some plausibility, as the proportion of self-identified conservatives in the electorate did rise over 1992 levels—from 30% to 37%—as did the rate at which they voted Republican—from 72% to 81%.¹⁹

Closer examination of these data make the ideology claim less impressive. To begin with, the proportion of conservatives in the 1994 electorate was not unusual by recent historical standards. The 1994 figure of 37% was only slightly higher than those recorded for the 1984 election (36%), the 1988 election (35%) and the 1990 election (34%).²⁰

Second, a nine point shift away from the Democrats was not so large in the context of the 1994 election. We have already seen that anti-Democratic shifts among some demographic groups were as large or larger than this figure. But even among attitudinally defined groups, the nine-point anti-Democratic shift among conservatives was dwarfed by shifts among other groups—for example, those defined by their attitude toward the economy. As indicated by **Figure 2**, there was a 25-point shift against the Democrats among those who thought the economy was not so good or poor (about three-fifths of the 1994 electorate) and a 36-point anti-Democratic shift among those who thought their family situation was getting worse (about a quarter of the electorate).

Applied to the House vote in 1992 and 1994, in fact, a standard predictive model that takes ideology, partisanship, and economic variables into account shows little change in the magnitude of the ideological effect (see Appendix 2).²¹ The same model shows much larger shifts in voting behavior associated with economic variables—like family financial situation and assessment of the national economy (the effect of economic pessimism shifted from being quite pro-

FIGURE 2
Change in Democratic Support by Ideology,
Assessment of the Economy, and Financial Situation, 1992-1994



Source: 1994 VNS exit poll, 1992 VRS exit poll.

Democratic to being strongly anti-Democratic); it also shows a large shift in the effect of partisanship, with independents much more likely to vote against the Democrats than in 1992.²² Controlling for these other factors, in fact, we find *no significant difference over 1992-94 in the relationship between conservatism and the House vote.*²³ What appears to be an ideologically driven anti-Democratic shift is in fact largely driven by other factors.

The increase in self-declared conservatives did play some role, however, in the 1994 results. The question is, how big a role relative to other factors? A decomposition analysis shows that the shift in the share of conservatives in the electorate made a contribution to the decline in the Democratic vote, explaining about 18% of it.²⁴ But it also shows that the anti-Democrat shift among economic pessimists made a much larger contribution, and that an anti-Democrat shift among conservatives—that is, their increased rate of Republican voting—made no contribution at all.

What About Values?

Still another interpretation of the 1994 election focuses on the role of values. Ben Wattenberg (1995a) traced the 1994 Democratic losses to values issues and argued in general that “values

matter most” and that economics matter relatively little in U.S. politics today. This is a popular view in some quarters—even apparently in the White House, according to Wattenberg’s account (1995b) of a telephone conversation with President Clinton. In addition, several newspaper accounts have described a key faction of the president’s advisors as “values Democrats”²⁵ (as opposed to “paycheck Democrats”), for whom this interpretation of the 1994 election is a touchstone. And certainly a good deal of Clinton’s campaign strategy since the 1994 election seems predicated on this interpretation.

Values, broadly defined, are likely to have had some influence on the 1994 election. They were on people’s minds and much debated during the campaign. But evidence that values *issues* had a defining—or even large—effect on the 1994 election outcome is hard to find. Consider the case of crime—one of the four key values issues cited by Wattenberg, the most central such issue in the 1994 campaign, and the one exit pollsters queried voters most extensively about.

To begin with, the exit polls showed that as many respondents cited the economy and jobs as motivations for their vote as cited crime. At a minimum, this suggests the issue did not crowd out economic concerns. More to the point, citing crime as an issue had no significant, independent effect on voters’ support for House candidates in 1994.²⁶ That is, those identifying crime as their key issue were no more likely to vote against the Democrats than those who did not. Of course, it is possible that other values issues cited by Wattenberg might have revealed larger effects if asked about by pollsters. But the failure of the crime issue, the highest-profile issue among his nominees, to show a discernible effect must arouse skepticism about this possibility.

It is likely that values and the magnitude of their role is imperfectly captured by a focus on “hot-button” issues like crime or abortion. For reasons suggested above in the discussion of Perot voters, for example, we think it plausible that working voters with falling incomes might interpret their decline in income as evidence of a decline in “middle class values” about rewarding work and responsibility, with consequences for a Democratic Party not identified with promoting either. Here, however, the relevant “values” concerns are triggered by the reality of declining living standards—a point we return to in the conclusion.²⁷

What About Turnout?

One more interpretation of the 1994 election—this one more identified with the “left” than the “right”—argues that the source of the Democrats’ difficulty was their failure to mobilize their base, particularly poorer voters, black voters, and “hard core” Democrats.

The first argument appears to find support in data from the U.S. Bureau of the Census, which show that turnout was relatively low among voters with less than \$15,000 in household income (29.9%), compared to those with \$50,000 or more in household income (59.4%)—a gap of 29.5 percentage points.²⁸ Moreover, the 29.9% figure for poor voters represented a drop

of five percentage points from 1990, while the 59.4% figure for affluent voters represented a gain of one point. There is no question that there is a large, and growing, class skew in American voting.²⁹ Nor is there much question that this hurts Democrats, whose support among the poorest voters—62% in 1994—is one of the few things on which they can rely.³⁰

Even accepting the Census data uncritically, however—and there are good reasons to believe these data overestimate the decline in turnout among poor voters³¹—the changes in turnout over 1990-94 were too small to make a difference. Simulations combining data from the 1994 VRS exit poll with the Census data show that, even if turnout among the poor had not fallen but instead had risen along with the affluent, the election results would have been virtually the same.

Specifically, the Democrats received 46.5% of the two-party House vote in 1994 and trailed the Republicans by more than 4.7 million votes.³² If turnout among the poor had been as high as just described, the Democrats would still have received only 47.1% of the vote and trailed the Republicans by more than 4.1 million votes (see **Table 4**).

The second turnout argument concerns race. Here again, blacks are one of the few “reliably” Democratic constituencies, and low turnout among blacks has predictable effects on

TABLE 4
Simulations of 1994 Election Results With Higher Black and Poor Turnout

Scenario	Election Results for Democrats	
	Popular Vote ¹ (Percent)	Margin of Loss (in Millions)
Actual Turnout Levels	46.5	4.7
Poor ² Trend Matches Affluent	47.1	4.1
Black Trend Matches White	46.9	4.3
White Poor Trend Matches White Affluent and Black Trend Matches White	47.1	4.1
Nonvoter Mobilization ³	47.4	4.0

Source: Authors' analysis, based on 1994 VNS exit poll, 1994 National Election Study, and 1990 and 1994 CPS Voter Supplement files.

1. Based on two-party vote.

2. “Poor” is defined as less than \$15,000 in household income.

3. Based on scenario described in text.

Democratic outcomes. But applied to 1990-94, this argument also fails. As shown in Table 4, if black turnout had gone up as much as white turnout, instead of falling 2.1 percentage points, the Democrats would still have received just 46.9% of the House vote and trailed the Republicans by 4.3 million votes.

Combining arguments one and two, it is possible to estimate the impact of increased turnout among both poor and black voters. This is done by having the black turnout trend match the white turnout trend and having the white-poor turnout trend match the white-affluent turnout trend (the focus on the white poor is necessary to avoid double counting blacks who are poor). This simulation shows little more effect than the first scenario of increased turnout among the poor. The cumulative impact still leaves the Democrats a little less than 4.1 million votes behind the Republicans, with roughly 47.1% of the two-party vote. These figures mean that, taken together, depressed turnout among blacks and the poor can account for only about 8% of the decline in the Democratic House vote.

Thus, failure of the poor and blacks to turn out in the relative numbers they did in 1990 seems to have been only a minor factor in the 1994 Democratic defeat.³³ Even if they had, the results would have been substantially the same—perhaps fewer lost seats, but a huge defeat nonetheless.

Finally, then, there is the argument about the failure of hard-core Democrats—regardless of their demographics—to rouse themselves relative to hard-core Republicans, some evidence for which is provided by Stanley Greenberg's post-election poll for the Democratic Leadership Council (Greenberg 1994). According to this poll, voters who voted in the 1992 election but did not turn out in 1994—about 16% of the electorate—favored the Democrats by 12 percentage points. Eliminating those who did not express a preference or preferred an independent or third party candidate implies a 58% Democratic-support level among those who would have voted for one of the two major parties. On the face of it, this seems compelling evidence for a rather large nonvoter effect.

But consideration of other data casts doubt on Greenberg's findings. The 1994 edition of the National Election Study (NES)—the biennial academic study—found a substantially smaller pro-Democratic bias among those who voted in 1992 but not 1994. First, the NES data found that 40% of these nonvoters (about 6% of the total electorate), when handed a card with the names of the Democratic and Republican candidates, had no preference whatsoever among them. Second, of those that did express a preference—about 10% of the electorate—only 52% selected the Democrat (53% if preferences for candidates not on the ballot are ignored).

Generously assuming then that *only* those with a defined preference voted and that half of these nonvoters voted—which would have created a turnout of about 43%, the highest off-year turnout since 1970 and an astonishing increase over 1990 of seven percentage points—the Democrats would still have received only 47.4% of the vote and continued to trail the Republicans by over four million votes. Thus, even a massive mobilization of these Democratic-

leaning nonvoters would have made up only about 11% of the 1992-94 Democratic slide. This suggests again that, while depressed turnout among Democratic supporters or groups may have been a factor in the 1994 Democratic defeat, it was not a major factor.

A final variant on all these arguments holds that problems in turnout were themselves concentrated in districts where Democrats lost seats, so that aggregate-level analyses of the sort made here cloak the effects of demobilization. But according to political scientist Martin Wattenberg (1995), the degree of turnout dropoff (difference between 1992 and 1994 turnout) in congressional districts did not correlate at all with the swing toward the Republicans.³⁴ Here again, therefore, the basic pattern of the election results does not suggest a strong role for demobilization in the Democratic defeat.

FROM THE 1994 ELECTION TO MID-1996

From the 1994 election to the middle of 1996, yet another stunning reversal has taken place. The Republican Revolution swept into Washington with Bill Clinton's approval ratings in the low forties and Clinton losing to Dole in trial presidential heats by five percentage points or more.³⁵ By the middle of 1996, Clinton claimed approval ratings in the low to mid fifties and was decisively beating Dole in trial heats by 15 to 20 points. Furthermore, Democrats were beating Republicans in generic congressional trial heats, while job approval of the Republican-dominated Congress was down up to 20 points from the spring of 1995. Finally, the public reported disagreeing more than agreeing with what the Republicans were doing in Congress (the percentage disagreeing was up 21 points since early 1995) and said they judged the Republican Congress more a failure than a success³⁶ (the percentage saying failure up 14 points from early 1995).

To understand this shift, we again look to basic wage and income trends and the key legislative and policy battles that are refracted through them.

Economic Trends

The economy continued to grow in the 1994 to mid-1996 period. Indeed, the economy is now in the sixth year of a recovery that officially began in March 1991. Reflecting this growth, the economy has now easily met the administration's goal of eight million new jobs in the 1992-96 period. In addition, inflation has been low and the unemployment rate has also been relatively low, in the 5.3-6% range.

Unfortunately, the continued expansion of the economy³⁷ in this period did not do much for the living standards of the average American. For example, wages continued to decline, with the wage of the median worker declining 1.2% in the 1994-95 period. This left the wage of the median worker 4.6% behind its level in 1989, the last business cycle peak (the median male worker was down 6.3%; the median female worker was down 1.7%).

This post-1989 wage decline/stagnation has not been equally distributed. The non-college educated have fared worse (losing 5% in real wages in the 1989-95 period) than those with college degrees (up 2%) or more advanced degrees (up 3%). By sex, non-college men lost 7% in wages, male college graduates held steady, and men with advanced degrees gained 4%; non-college women lost 2%; female college graduates and those with advanced degrees each gained 6%.³⁸

Assessing trends in household income in this period is difficult and necessarily speculative, since the CPS data covering 1995 will not be released until the fall of 1996. However, recalling that median household income was still 6.6% below its 1989 peak at the end of 1994, it is hard to see how growth in 1995 could have eliminated that gap—or even come close. For example, assuming that household income growth in 1995 replicated its performance in 1994 (probably

an optimistic assumption, since the GDP growth rate in 1995 was only 2%, compared to 3.5% in 1994), the median household would have seen a 0.7% increase in income. Such growth would still leave median household income 5.9% below its 1989 level.

Thus, despite the continued expansion of the economy after the 1994 election, living standards for the average voter have not improved much, if at all, and remain substantially below 1989 levels. Declining living standards combined with continued and widely publicized³⁹ downsizing at many prominent companies⁴⁰ has been more than enough to make most voters—particularly non-college-educated voters—nervous about their economic future.

Legislative and Policy Battles

In retrospect, it seems likely that Newt Gingrich and the congressional Republicans overestimated their mandate. But it was not obvious at the time. Many observers seemed to believe as profoundly as the victorious Republicans that U.S. voters had taken a distinctly ideological turn against government and would support wholesale deregulation and dismantling of government programs.

As argued earlier regarding the 1994 election, this view was fundamentally mistaken. Rather than taking an *ideological* turn against government, voters turned on the Democrats because, operationally, government did not seem to be working: living standards continued to decline and other social problems worsened, even as government expenditures continued apace. Given this assessment, it was time, reasoned the voters, to get rid of the Democrats and their style of government and try something different.

But “different” in their view did not mean getting rid of, or even significantly trimming, government programs they liked. Once it became apparent that such cuts would be included in the Republican drive to balance the budget, voters began to lose their enthusiasm for budget balancing in particular and the Republican revolution in general. This loss of enthusiasm then set the stage for the Democratic comeback in late 1995.

It is important to stress that this comeback was driven by confrontation with Republican budget-balancing plans rather than conciliation with the overall goal of a balanced budget. Examination of poll data convincingly shows that Clinton’s embrace of the balanced-budget goal in June 1995 did little to increase support for Clinton and the Democrats.⁴¹ It was only later in the year, in the period shortly before the government shutdown on November 14, that the poll numbers started turning in favor of Clinton and the Democrats and against the congressional Republicans and their proposals.⁴² And this, of course, was the time that the White House finally joined congressional Democrats in a united front against the Republicans’ plan. Evidently, confrontation was the key to the Democrats’ rise in popularity—not any shift in thinking on the desirability of a balanced budget or the proclamation of the “end of the era of big government.”

In light of the economic trends just reviewed, and the earlier analysis of the 1994 election,

it is easy to see how this confrontation strategy worked. Voters essentially "fired" the Democrats in 1994 because they had failed to make significant progress in solving the voters' economic and other problems. But the Republicans, instead of solving these problems, were now threatening to make things *even worse*. On top of continued deterioration in living standards, they were proposing to remove environmental safeguards; de-fund education programs, including school lunches; and, most important of all, cut Medicare, a critical part of most voters' economic security (current or future). To add insult to injury, they were proposing to reward the rich with new tax cuts.

This was simply unacceptable to most voters. Indeed, what the Republicans succeeded in doing was to point the finger of blame for declining living standards at themselves and their wealthy allies rather than at the Democrats and government, where it had previously been. And, as long as this judgment continues, and voters tend to see Republicans as the greater threat to their living standards, the Democrats and Bill Clinton will continue to have the upper hand.

By giving the Democrats a chance, however, voters are not saying they now believe that Democrats have the solution to declining living standards or that they have lost their suspicion of government. On the contrary, voters are unconvinced the Democrats can make things much better, and they remain wary of the government and government activism. This, of course, could provide the basis for a *Republican* comeback either in 1996 or thereafter. We shall discuss this point in more detail in the next section.

PROSPECTS FOR THE 1996 ELECTION AND BEYOND

In mid-1996, prospects for the Democrats in the November 1996 elections look good. As mentioned earlier, Clinton's approval ratings are relatively high, and he beats Dole by wide margins in presidential trial heats. Moreover, Democrats now consistently beat Republicans in generic congressional trial heats.

Will it last? There are good reasons to think it will (at least through November). As argued above, the average voter now sees the Republicans as the greater threat to his or her living standards—a perception that has been sharpened by Republican intransigence toward modest measures like increasing the minimum wage. And Dole is a poor campaigner who still lacks any clear, much less compelling, message on the economy—which polls consistently show as voters' primary area of concern. These drawbacks are similar to those George Bush faced in 1992.

Potential for Another Swing

But the potential for volatility and a swing away from the Democrats is very much present. It is rooted in two factors.

The first is anti-government sentiment. This is nothing new, but has simply persisted at a high level through the pro-Democratic surge of 1995-95. For example, about three-quarters of the public still distrusts the national government, over three-fifths still say they prefer a smaller government with fewer services to a larger one with many services, and over three-fifths agree that government is trying to do too much that should be left to businesses and individuals. And high taxes are still rated as one of the chief factors responsible for current economic problems.⁴³ This anti-government viewpoint is fleshed out in Greenberg's (1996) study of non-college-educated voters, in which he finds that these voters tend to see government, especially the "tax man," as a critical factor—and frequently the main factor—holding them back in their struggle to maintain a decent standard of living.

The second factor is economic anxiety. Consistent with the economic trends discussed in the previous section, this anxiety is pervasive and has not been assuaged by continued expansion of the economy. Indeed, as illustrated by the data in **Table 5**, in some ways it has gotten worse. Between May 1988 and March 1996 the percent saying they were very concerned about having enough money for retirement rose from 34% to 59%. More tellingly, the data show most of this rise in the last two years (from 42% in March 1994 to 59% in March 1996), even as the economy has expanded, jobs have been created, and unemployment has been lowered. Similarly, the proportion saying they were very concerned about losing their job or taking a cut in pay rose from 28% to 47%, the proportion very concerned about affording necessary health care increased from 50% to 68%, and the proportion very concerned about their children not having good job opportunities went from 51% to 67%—all in the same two-year period.

A variety of polling data also attest to a general lack of confidence in the state of the

TABLE 5
Economic Anxiety, Various Issues, 1988-95¹

Issue	Level of Concern (Percent)		
	Very Concerned	Somewhat Concerned	Not Concerned ²
Not having enough money for retirement			
March 1996	59%	23%	18%
October 1995	48	29	23
March 1994	42	29	29
May 1988	34	35	31
Losing job or taking a cut in pay			
March 1996	47%	16%	37%
October 1995	34	17	49
March 1994	28	16	56
May 1988 ³	18	16	66
Being unable to afford necessary health care when a family member gets sick			
March 1996	68%	16%	16%
October 1995	66	17	17
March 1994	50	22	28
Children not having good job opportunities			
March 1996	67%	18%	15%
October 1995	57	23	20
March 1994	51	21	28

Source: Pew Research Center for the People and the Press (1996c).

1. Question wording: "Now I'd like you to think about some concerns that people may have. How concerned are you, if at all, about (insert item, rotate)? Are you very concerned, somewhat concerned, not too concerned, or not at all concerned about this? What about (next item)...? [items in table delete the word "your" where it occurred in the original item]
2. Not concerned includes: not too concerned, not at all concerned, does not apply, and don't know.
3. In 1988, question asked only about losing your job.

economy and the direction of the country. For example, three-fifths say they are dissatisfied with the direction of the country, seven in 10 say the country is off on the wrong track, and seven in 10 say that the national economy is only fair or poor. In addition, almost twice as many say the economy is getting worse as say it's getting better, about half think the next generation's standard of living will be worse, rather than better, and three-quarters believe that family incomes for average Americans are falling behind the cost of living.⁴⁴

Even in terms of their own family's financial situation, where people are traditionally more upbeat, voters are not very positive. Just 29% say their financial situation is better than four years ago, compared to 17% who say it is worse and 53% who say it is the same. In addition, only 9% say their family's income is rising faster than the standard of living, compared to 50% who say they are falling behind and 38% who say they are staying even.⁴⁵

The fact that these assessments are more positive than analogous assessments of the economy as a whole or the situation of the average American reflects the fact that individual families can make some economic progress over time (through age-related increases in income and through adaptive strategies like having a spouse work more hours) even in a poor economic environment. The fact that they are not *more* positive reflects the reality that these adaptive strategies and age-related income increases ("start lower, go up slower") are much less effective than they used to be in raising individual families' living standards.

Indeed, as Levy (1996) points out, the typical male wage earner in many families, especially if a high school graduate, but also including older (ages 40-54) college graduates, actually saw his individual earnings decline over the 15-year period between 1979 and 1994. And as these families have adapted to these wage declines by having the wife work and then work more hours, there comes a point beyond which this strategy cannot reasonably be pushed and families' living standards are at risk from any change (e.g., being downsized). Rose (1996) finds that one-third of prime-age adults actually saw their individual *family* income drop over the 1980s.

Given these economic anxieties—anxieties driven by economic reality—and given the continued breadth of anti-government sentiment, it is not hard to see how a well-conceived Republican strategy might send the pendulum, once again, swinging away from the Democrats. The idea would be to direct this palpable economic anxiety at the incumbent president (a traditional target of blame for economic problems) and the Democrats by utilizing this already-existing anti-government sentiment. The best way to do this, in turn, would be to revive and strengthen the anti-government story about declining living standards used so successfully by Republicans in the past.

A Republican Strategy?

In mid-1996, there are signs that elements of the Republican Party are pushing vigorously for such an approach (Calmes and Harwood 1996; Bartlett 1996). Loosely associated with the supply-side, Jack Kemp wing of the party, and backed by some prominent Republican economists, these forces are pushing Dole to propose a bold, tax-cutting economic plan that would (in their view) deliver faster economic growth and rising living standards. Such an approach would be a decisive move away from the party's fixation with balancing the budget as the number one and overriding priority.

Should this approach hold sway, it stands a reasonable chance of kindling latent anti-government sentiment and directing economic anxiety at the incumbent president and his party.

After all, faster growth is appealing to those whose living standards have been suffering, and more money directly in their pockets (through tax cuts) is even more appealing. And, if economic anxiety *does* become directed at the incumbent president, the presidential race could tighten up quickly.

For example, in 1992, voters with pessimistic views about the economy voted strongly against the incumbent, George Bush. And in 1994, voters with pessimistic views of the economy voted strongly against the Democrats, the "incumbent" congressional party. Consider what might happen in 1996 if voters follow the same pattern and vote against the incumbent president based on their views of the economy (right now even voters who think the economy is doing poorly tend to support Clinton⁴⁶).

Simulated results from such a scenario are presented in **Table 6**. As can be seen from comparing rows 2 and 3 of the table to row 1, if pessimism about the economy starts affecting incumbent support as it did in 1994 or 1992, Clinton's approval rating might drop 15 points and his voting support might drop 13-16 points. Such a drop would mean a Clinton loss. And a drop of even half that size would mean a very competitive race.

TABLE 6
What if They Blame the Incumbent?:
Simulation of Clinton Support in 1996 If Pessimism About Economy
Affects Incumbent Support as in the Past

Scenario	Clinton Approval	Clinton Voting Support²
Current Situation ¹	58	58
If Economic Pessimists Act Like 1994	43	45
If Economic Pessimists Act Like 1992	n.a.	42

Source: Authors' analysis based on 1992 VRS exit poll; 1994 VNS exit poll; CNN/USA Today/Gallup, May 9-12, 1996; CNN/USA Today/Gallup, May 28-29, 1996.

1. Since all nonsubstantive responses (no opinion, don't know, refused) have been eliminated from calculations, approval ratings and voting support levels displayed in the first row are somewhat higher than in published polling data. However, this does not affect the magnitude of the drops in approval and support shown in rows 2 and 3 since those figures include the same adjustments and are also relatively high.
 2. Voting support simulations used support rates (by assessment of economy) for the incumbent president or party, depending on year, as the base. This meant support for President Bush in 1992 and House Democrats in 1994. Current voting support levels were operationalized from the Clinton-Dole trial heat in the May 28-29, 1996 CNN/USA Today/Gallup poll.
-

Leading such an exodus from the ranks of Democratic supporters would be the volatile white non-college-educated voters who have so recently rejoined the Democratic coalition. And if they do, Democrats will be hard-pressed to remain electorally competitive.

Consider the following simulation. Start with the Democrats getting their standard 85% among blacks and 65% among Hispanics. Then add a 50% support rate among college-educated whites (10 points higher than 1992; six points higher than 1994), reflecting a successful "upscale" campaign strategy as advocated by, for example, presidential advisor Dick Morris.⁴⁷ But assume that support rates among non-college-educated whites revert to their 1994 levels (39%). The result: Clinton would lose the 1996 election 52% to 48%.

This result helps illustrate how the behavior of non-college-educated whites drives the "new political arithmetic." The Democrats cannot make up a shortfall among NCEW voters by turning to more upscale whites. On the other hand, they *can* make up a shortfall among college-educated whites by having a solid base (47-50%) among NCEW voters (generally three-fifths of the voting electorate) to add to their minority support. And, as the data in **Table 7** illustrate, this is precisely the level of national support they have failed to obtain in three of the last four elections.

The centrality of NCEWs to the new political arithmetic can be further demonstrated by looking at the largest seven states Clinton won in 1992: California, Illinois, Ohio, Michigan, New Jersey, New York and Pennsylvania. These states have 186 electoral votes between them and are all (with the exception of New York) states George Bush won in 1988. Given the strong likelihood the Clinton will lose a number of the small Southern and Western states he took in 1992, the Democrats must dominate these large states to be assured of victory in 1996.

TABLE 7
White Non-College-Educated Voters: Democratic Support¹ and Proportion of
Electorate, 1988, 1990, and 1994

Year	Democratic Support	Percent of Voting Electorate
1988	40	62
1992	39	61
1994	39	59

Sources: Authors' analysis based on 1988 CBS/*New York Times* exit poll; 1992 VRS Exit Poll; 1994 VNS exit poll; 1988, 1992, 1994 CPS Voter Supplement files.

1. Based on presidential vote in 1988 and 1992; House vote in 1994.

Consider again a scenario with strong minority support for Clinton and a 50% split among college-educated whites. Simulated results show, even under these conditions, Clinton would lose most of these states, carrying only New Jersey and Ohio, if his support among non-college-educated whites reverted back to 1994 levels (**Table 8**). In Electoral College terms, this would mean losing 150 out of these states' 186 electoral votes.

Obviously, this scenario would be a Democratic disaster. The lost electoral votes from these large states would be enough to sink the Democrats even without factoring in the serious losses that Clinton is likely to sustain in small Southern and Western states.

But could this really happen? Could NCEWs really swing back so far and so fast against the Democrats? We believe that the volatility of the NCEW group makes this swing a possibility, as illustrated by the data in **Table 9**. The table shows that NCEW support for Bush dropped 21 percentage points between 1988 and 1992, that NCEW support for House Democrats dropped 13 points between 1992 and 1994, and that NCEW support for presidential candidate Dole dropped 14 points between February 1995 and May 1996. With volatility like this, another large swing against the Democrats hardly seems out of the question.

NCEW volatility could be especially dramatic in the large states so crucial to Clinton's re-election chances. Consider the data in **Table 10** on 1992-94 changes in Democratic support in

TABLE 8
What if Non-College-Educated Whites Vote Like 1994?:
Simulation of 1996 Election Results for Democrats in Key States

State	Win (W) or Loss (L)	Electoral Votes
California	L	54
Illinois	L	22
Michigan	L	18
New Jersey	W	15
New York	L	33
Ohio	W	21
Pennsylvania	L	23
Total	5L/2W (150L/36W)	186

Assumptions: (1) Clinton gets 50% of white college-educated vote in each state (successful upscale strategy); (2) Clinton gets 85% of black vote and 65% of Hispanic vote (maintains minority base); (3) turnout levels replicate 1992 pattern; (4) two-party race.

Sources: Authors' analysis based on 1992 CPS Voter Supplement; 1992 VRS exit poll; 1994 VNS exit poll.

TABLE 9
Volatility Among Non-College Educated White, 1992, 1994 and 1996

Candidate or Party	Change Among Non-College-Educated White (Percent)
1992 Bush Vote, Compared to 1988	-21%
1994 Democratic House Vote, Compared to 1992	-13
1996 Dole Support ¹ , Compared to Early 1995 ¹	-14

Source: Authors' analysis of 1988 CBS/*New York Times* exit poll; 1992 VRS exit poll; 1994 VNS exit poll; February 3-5, 1995 CNN/*USA Today*/Gallup poll; May 9-12, 1996 CNN/*USA Today*/Gallup poll.

1. Based on registered voters.

TABLE 10
**Change in Democratic Support¹ Among White Non-College-Educated Voters,
Key States, 1992-94**

State	All White Non-College	White Non-College Perot Voters
California	-23	-44
Illinois	-10	-27
Michigan	-11	-16
New Jersey	+10	-23
New York	-16	-35
Ohio	-13	-27
Pennsylvania	-20	-42
Total	-16	-32

Sources: Authors' analysis based on 1992 VRS exit poll and 1994 VNS exit poll.

1. Based on House vote in respective years.

these states. The table shows, for example, that the Democratic House vote among white non-college-educated voters in California declined by 23 points between 1992 and 1994, including an incredible 44-point drop among white non-college-educated Perot voters. Comparable declines took place in Pennsylvania (down 20 and 44 points, respectively). Overall, white non-college-educated support in these key states was down 16 percentage points, and down twice that (32 points) for white non-college-educated Perot voters.

The particularly large pro-Republican swings of NCEW Perot voters suggest that perhaps Clinton could be inoculated against the problem of NCEW volatility by a Perot candidacy. By this logic, Perot's former NCEW supporters, who lean Republican, will be diverted away from Dole's camp through Perot's entry into the race, thereby short-circuiting a potential Dole surge.

The key flaw in this logic is the assumption that potential Perot supporters in 1996 will be the same group that supported him in 1992. This will not necessarily be the case. For example, the March 1996 NBC/*Wall Street Journal* poll found that three-fifths of current Perot supporters did not vote for him in 1992. And directly contradicting the pro-Clinton scenario sketched above, six out of seven of these new Perot supporters said they would lean toward voting for Clinton if Perot does not run.⁴⁸ Thus, a Perot candidacy, rather than preventing an exodus from the Clinton ranks, might actually spark one.

Further evidence that today's Perot supporters are different from 1992 Perot supporters is provided by a March 1996 Pew Research Center poll.⁴⁹ That poll found that current Perot supporters were almost exclusively non-college educated (92%), compared to 75% in 1992, and were also less affluent and less Republican in partisan identification. This demographic profile helps explain why these Perot supporters might be supporting Clinton now—as described above—but go on to help drive a surge away from Clinton among non-college-educated voters if Perot enters the race.

So the potential for another pendulum swing away from the Democrats is clearly there, certainly in a two-party race but even in a three-party race.

Will the potential be realized? In 1996, we are inclined to say no. It is possible that Dole will seek to remake himself as the standard-bearer for a populist Republican counter-attack on the Democrats, centered on tax cuts and fast growth. But it seems unlikely that he will do so plausibly, if at all, given his temperament, record, and apparent actual beliefs. More likely is continued emphasis on the importance of cutting the deficit and balancing the budget, which will only serve to remind voters how much they disliked Republican approaches to doing so.

In the slightly longer run, however, another large swing away from the Democrats seems almost inevitable (perhaps sparked by an economic downturn). The combination of high economic anxiety and strong anti-government sentiment will provide fertile ground for an aggressive Republican attempt to re-indict the government and Democrats for persistently declining living standards. And, assuming that the current lack of progress on living-standards issues continues, voters—especially non-college-educated whites—are likely to be listening.

CONCLUSION: MASTERING THE NEW POLITICAL ARITHMETIC

The evidence presented in this paper suggests that capturing the loyalty of electorally volatile white non-college-educated Americans suffering long-term (and uninterrupted) declining living standards is the central challenge of U.S. politics today. Whichever party meets this challenge, thereby mastering the new political arithmetic, should dominate politics for many years to come. And yet the Democrats, who seem well-situated to represent these voters' interests, have had tremendous difficulty capturing their loyalty for more than brief periods. Why can the Democrats not do the new math?

There are several reasons for the Democrats' difficulties. The first was discussed in some detail earlier: as long as the anti-government story about declining living standards remains generally dominant, the political terrain favors the Republicans. The Democrats can occasionally shift blame in the Republicans' direction, but the underlying view of politics held by most Americans, and the policies that follow from this anti-government viewpoint, intrinsically favor the Republicans.

The second reason is that the current Democratic approach to countering that story and shifting the political terrain is weak. Consider the following elements of that strategy.

Perhaps the best-known element is the New Democrat approach, popularized by the Democratic Leadership Council (DLC). This approach focuses obsessively on the idea that Democrats need to improve their negative image—to convince voters that the Democrats are not the party of wasteful government spending, inefficient public administration, high taxes, selfish liberal interest groups, opposition to family values, and so on. While such an image improvement is obviously desirable, it cannot, by definition, shift the political terrain in the Democrats' favor since it leaves untouched—indeed, implicitly accepts—the dominant, anti-government story about the decline in living standards.

This is why the New Democrat approach is ultimately limited to helping Democrats, at the margin, in already favorable situations. For example, the Democrats in 1992 faced an incumbent president who was taking the blame for a bad economy and deteriorating living standards. Given this situation, Clinton's New Democrat stance probably helped voters move away from Bush, since it "inoculated" Clinton (in DLC Chairman Al From's words) from charges of being soft on crime, against family values, in favor of wasteful spending, and so on. But it did not create, or even decisively shape, that favorable situation.

Similarly, in 1995-96, it was the Republicans' errors in attacking Medicare and other popular programs, and a confrontational stance by the Democrats toward those attacks, that shifted voter support away from the Republicans. A New Democrat stance may be helping Clinton and the Democrats add to that lead at the margin (though it is worth noting that, since July 1995, the percentage of the public that thinks Clinton is a "new kind of Democrat" has

actually *declined* slightly—to the lowest level of his presidency—while his support against Dole in presidential trial heats has gone up 11 points).⁵⁰ But it did not create that lead and will not forestall a decline if and when the Republicans re-unite economic anxiety and anti-government sentiment.

A second element of current Democratic strategy is to blame declining living standards on a neutral process of globalization and technological change about which little can or should be done. This process, the Democrats say, is ushering in a new global economy, based on information technology, in which government's role is primarily to help workers acquire new skills and adapt to change. At some unspecified point in the future, living standards will actually start to rise again, but until then workers can only hope to adapt with a minimum of pain.

This argument takes the heat off government as a *cause* of declining living standards, but also makes government seem almost irrelevant to any possible solution. Moreover, the nature of the argument promotes hopelessness: *someday* living standards will improve, but when is *someday*? This is hardly the kind of argument that provides a vigorous counterweight to Republican assertions about the culpability of government.

In addition, the public does not buy the idea that a neutral technological process is responsible for all the negative economic trends they see around them. For example, a recent poll found that, by more than 2-1 (59% to 28%), the public thought that, when companies downsize or eliminate jobs, they do it mainly "to boost short-term profits, stock prices, and executives' salaries," rather than "doing what they need to compete and survive in the global economy."⁵¹

Nor does the public believe that acquiring more skills through education and training will do much to change the current economic environment. For example, by 55% to 37%, respondents said they believe that "working hard often isn't enough anymore, because companies aren't loyal to their employees," rather than "if you get a good education and work hard today, you can really do well and get ahead." And they do not see government investment in education and training as a particularly effective way to boost incomes and improve their economic situation (ranking seventh out of eight choices offered, behind health insurance portability, encouraging company profit-sharing, raising the minimum wage, lower interest rates, and two other policy options).⁵²

A third element of current Democratic strategy is addressing voters' concerns about declining values with proposals such as the V-chip and school uniforms, rather than engaging those concerns as an integral part of the living-standards issue. But for non-college-educated voters, as Greenberg's (1996) research convincingly shows, values and the struggle to maintain a decent standard of living are not artificially separated in the manner implied by this approach. For them, economics is a values issue, since it is their values of loyalty and fairness that are being contravened by current economic trends, and it is their values of responsibility and hard work that enable them to get by in this difficult economic environment. Thus, no amount of talk about teen curfews or more educational programming on TV can substitute for identifica-

tion with, and facilitation of, the values-based economic struggles of these voters.

The final reason why the Democrats have not been able to shift the political terrain in their favor is that they have ceded so much ground to the Republicans that there is very little they can do—or even talk about doing—to raise living standards. Indeed, they have imprisoned themselves, along with the Republicans and most of the economics profession, in an “iron triangle” of economic policy principles that effectively exclude any active attempt to improve the lot of the average American.⁵³

The first vertex of the triangle is support for the high-unemployment, high-interest rate, slow-growth macroeconomic policy favored by Federal Reserve Board Chairman Alan Greenspan, Wall Street bond traders, and other economic elites. The second vertex is commitment to a fiscal policy centered on reducing the deficit, up to and including balancing the budget. The third vertex is commitment to expanding free trade, including more free-trade treaties, unimpeded by labor standards and other “peripheral” issues.

Staying within this triangle, however, rules out any serious attempt to improve living standards. Reduce unemployment far enough that labor markets tighten and wages rise? No, that would produce an explosion of inflation, the inflation fighters say. Lower interest rates and push for faster growth? No, the economy cannot grow more than 2.5% per year without tightening labor markets, and again leading to disastrous inflation. Spend more money on infrastructure and research and development to boost demand and the long-run productivity of the economy? No, this can't be done without increasing the deficit, which must be avoided at all costs. How about more money for education and training, which current Democratic strategy says is necessary for workers to adapt to the “new economy”? No, same problem: it is still too expensive to do while trying to reduce the deficit. Try to reduce trade deficits to improve the jobs and wages of American workers? No, too much pressure on our trading partners interferes with free trade. And so on.

But without tangible progress on improving the living standards of the average American, it will be hard to convince non-college-educated voters that Democrats and activist government are worth their loyalty. Of course, current Democratic thinking asserts that, over the long run, staying within this iron triangle *will* produce growth in living standards.

Voters, however, may not be willing to wait, especially since they are far less committed than Democratic policy makers to the iron triangle's economic principles. To begin with, there is no evidence that voters understand, much less endorse, the concept that low unemployment leads to accelerating inflation. But they know, and do not approve of, the resulting economic environment in which “no matter how good a job you do for your company, there's always someone else waiting to take your job for less pay.”⁵⁴

Nor do voters believe the balanced budget will pay off for them personally. By 55% to 40% they believe a balanced budget would either hurt or have no effect on their family financial situation.⁵⁵ And it will probably be hard to convince them otherwise when the government's

own analysts predict a growth rate dividend of an underwhelming one-tenth of a percentage point from a balanced budget.⁵⁶

Finally, most Americans, especially non-college-educated Americans, have been and remain skeptical about the benefits of free trade.⁵⁷ For example, two recent NBC/*Wall Street Journal* polls found that the public believes by more than a 2-1 margin that free trade treaties, on balance, cost the United States jobs.⁵⁸ This simply underscores a long-standing viewpoint among the U.S. public.

These factors help explain why the Democrats have not been able to retain the loyalty of non-college-educated white voters for any length of time. The anti-government story is still dominant, the Democratic counterstory, centered around New Democrat image management and platitudes about the new economy, is weak, and the party has imprisoned itself within an iron triangle of economic principles that preclude any efforts to raise living standards. The result is what we see: occasional Democratic successes in a climate of intense electoral volatility.

For Democrats to have a chance at long run success, they must build a political alternative that breaks out of the iron triangle, raises living standards, and consolidates support among non-college-educated, particularly white, voters. Recent developments suggest a promising direction for the Democrats. First, the evolution of public opinion around the budget battles of 1995-96 suggests the softness of public commitment to balancing the budget as a policy goal. While it supported (and still supports) balancing the budget in the abstract, the public consistently chooses preserving Medicare, Social Security, and other programs it deems worthy over balancing the budget. The problem, then, is not to change the entire structure of public opinion about government spending, taxes, deficits, and balanced budgets, but rather to find other government programs and causes the public deems equally worthy.

What might motivate the public to find such programs and causes worthy? The answer lies in the emergence of a strand of public thinking about declining living standards that is challenging the dominance of the anti-government interpretation. This new strand of thinking focuses on the ways in which corporations and other dominant interests are taking advantage of economic change to enrich themselves and break down the norms that previously enabled ordinary workers to prosper.

This "new economy populism" is now so powerful that it sometimes outweighs anti-government sentiments in polling results. For example, a recent survey asked people how responsible different factors were for the nation's current economic problems.⁵⁹ While "government taking too much in taxes from working people" ranked second as a "very responsible" factor (44%), the only factor selected as "very responsible" by a majority of respondents was "corporations have become too greedy" (53%). Similarly, when asked what was the biggest problem with government economic policies today, 48% chose "government is too concerned with what big corporations and the wealthy special interests want, and does not do enough to

help average working families,” compared to 35% who chose “government spends too much, taxes too much, and interferes too much in things better left to individuals and business.”⁶⁰ Such relatively strong support for new economy populism would likely not have been observed a year or a year and a half ago.

Here, then, is a way to motivate public support for government programs. The public is well aware that the country is going through a vast economic transformation, but it believes this transformation is destroying old rules to the advantage of those with economic power. Instead of arguing with them (e.g., “things really *are* getting better,” “all you need is a little bit more education,” “some pain is inevitable but will usher in a bright tomorrow”), politicians might be well advised to agree with them: “the old rules *are* being destroyed and you really *are* being taken advantage of by those with the most economic power.”

This view provides a compelling rationale for breaking out of the iron triangle and asserting the centrality of government action to raise living standards. If government does not help set new rules⁶¹ and prevent those with the most economic power from taking advantage, who will?⁶² If government does not spend money on helping workers and communities become more productive and gain from the new economy, who will? Put in this way, the public can potentially be won over⁶³ to the idea that government actions and programs specifically designed to raise living standards, even if they involve regulation and cost money, are *necessary* for a better future.

Conversely, if the public is not convinced of this necessity, a jaundiced view of government action and programs will continue to prevail. This in turn will make action to raise living standards impossible, ensuring that Democratic victories are episodic and unstable.

But if this new economy populism provides a potentially effective rationale for government action and programs, it runs the risk of seeming detached from the basic values that animate so many voters and anchor their lives. As argued earlier, for most voters, particularly non-college-educated voters, economics is a values issue and must be dealt with in those terms.

Such a *new synthesis* of economics and values, of economic program and moral statement, is not difficult, in principle, to envision. After all, the economy and its ordering reflect *political* decisions—an old notion that the current administration tends to dismiss—and lurking behind politics are not only material interests but competing *moral* visions of social order. That morality can and should be pluralist and accommodating of a wide range of more specific views, but it does need to have a universalist core. That core is readily available in the belief systems of average Americans, who value contribution, responsibility, and loyalty, as well as democracy and fairness—and who find those values violated at least as much by irresponsible corporate interests (against whom no one stands as their advocate) as by the sins of the welfare state, real and imagined. A broadly populist economic program that declared itself as rooted in those values, and willing to do battle for them against all comers, is the key to returning large numbers of NCEWs to the Democratic Party.

Of course, there is no guarantee the Democrats will embrace this new synthesis anytime soon. Perhaps it will take another 1994-style defeat to convince them their current strategy is hopeless and that the living-standards issue cannot be avoided. They can only hope that, by that time, non-college-educated voters, especially white non-college-educated voters, are still listening to Democrats, instead of Pat Buchanan, Ross Perot, or a new breed of supply-side Republicans smart enough to leave Medicare alone while they cut taxes and less popular government programs. In that case, it could be a long road back.

APPENDIX I

In this paper, we have argued that exit poll data substantially overstate the proportion of highly educated voters in the electorate. We base this contention on comparing exit poll data with Census data (specifically, the November voter supplements to the Current Population Survey), which show far lower proportions of highly educated voters.

The question has been raised, by exit pollster Warren Mitofsky and others, whether this is a fair comparison, since the Census data are based on self-reports of voting, whereas the exit polls, with all their flaws (most seriously, differential refusal to be interviewed by respondents of different education levels), are at least based directly on voters. Therefore, perhaps it is the exit poll data that are accurate and the Census data that are biased.

There are a number of problems with this argument. The first is that, if one believes the exit poll data, implied turnout levels by education are literally unbelievable. For example, according to the 1992 VRS exit poll, 38.6% of voters were college graduates. Based on the total number of votes cast and the education composition of the population, this implies a turnout rate for college graduate citizens of 113.7%. It also implies a serious bias in the exit poll sample, perhaps augmented by respondents' overreports of being a college graduate—for example, by respondents with community college diplomas (though note that only one-eighth of those with some college have an A.A. degree, so this effect, at most, would be small).

Second, assuming that the exit poll data are correct, the only way self-reporting could produce the downscale education distribution seen in the Census data would be through vastly higher misreporting by lower education respondents in the Census data. But this runs up against analyses of validated vote data from the Michigan National Election Study (NES) that show exactly the reverse. That is, according to a 1986⁶⁴ article in *The American Political Science Review* (Silver, Anderson, and Abramson), *high education respondents are much more likely, not less likely, to overreport voting*. This suggests that self-reporting in the Census survey would, if anything, produce an upscale bias, not a downscale bias.

We conclude that our analysis of exit poll bias fairly describes a serious problem. The voting electorate does, in fact, contain far more non-college-educated voters than the exit polls show. Indeed, estimates based on Census data—about 73% non-college educated in 1992 and 71% non-college educated in 1994—may even be a bit conservative, based on the pattern of vote misreporting found in the NES validated vote data.

APPENDIX 2

Predicting the Democratic House Vote,¹ 1992 and 1994

Variable	Coefficient	
	1992	1994
Ideology		
Moderate	-.086**	-.040**
Conservative	-.182**	-.182**
Family Financial Situation		
Worse	.061**	-.033*
Same	.027*	-.017
Condition of National Economy		
Not So Good	.110**	-.107**
Poor	.177**	-.147**
Education		
High School Dropout	.083**	.003
High School Graduate	.067**	-.004
Some College	.033*	-.018
Postgraduate	.047**	.040*
Race		
White	-.112**	-.190**
Hispanic	-.061	-.148**
Asian	-.118*	-.070
Other	-.034	-.250**
Region		
South	.008	.002
West	.029*	.020
Partisanship		
Republican	-.561**	-.603**
Independent	-.263**	-.363**
Union Status		
Union Household	.037**	.054**
Gender		
Male	-.005	-.063**
Family Income		
< \$15,000	.024	.105**
\$15,000-\$49,999	.006	.046**
Age		
18-29	.020	.001
65 and over	-.011	.011
Religion		
Born-Again Christian	-.024	-.030*
Catholic	-.002	.020
Jewish	.060*	.095**
Other or None	.023	.063**
Constant	.801**	1.096**
Weighted N	5980	4235

Sources: Authors' estimates based on data from 1992 VRS exit poll and 1994 VNS exit poll.

* indicates coefficient is significant at the .05 level. ** indicates coefficient is significant at the .01 level.

1. Based on OLS models for years indicated. Excluded categories for different variables may be inferred from categories displayed in table.

ENDNOTES

1. In fairness to Clinton, it should be noted that the Voter Research and Surveys (VRS) exit poll found that Perot voters would have split their vote about evenly between Clinton and Bush—suggesting a Clinton victory even if Perot had not run. Ladd (1993) and others object strenuously to this suggestion, arguing that Perot's entry into the race and relentless attacks on the incumbent altered the campaign dynamic decisively in Clinton's favor. This dispute aside, however, the fact is that Perot *did* run, and enormous numbers of anti-Bush voters (including half of all Bush defectors) chose to vote for a maverick Texas billionaire rather than the nominee of the Democratic Party. It is hard to interpret this as indicating anything other than Democratic electoral weakness.
2. For more discussion of the U.S. electorate and how heavily it is dominated by non-college-educated voters, see Teixeira (1994).
3. Those without a four-year college degree.
4. For some comparative data on Perot and Clinton voters' wage losses over various time periods, see Teixeira (1994), Table 3.
5. For more data and discussion on Perot voters and economic nationalism, see Teixeira and Molyneux (1993).
6. 1992 VRS exit poll results.
7. This part of the discussion draws on Stanley Greenberg's useful study (1993) of Perot voters.
8. This trend was composed of two different changes: an income drop in 1992-93 and an income rise in 1993-94. But the net result was the 0.3% decline mentioned above.
9. All wage data in this section based on Mishel, Bernstein, and Schmitt (1996, forthcoming).
10. According to a Gallup-CNN poll on the eve of the final House vote, non-college-educated Americans opposed it by a 43-34 margin.
11. Poll conducted October 25-30, 1995. This almost exactly reverses the results of a March 1994 *Times-Mirror* poll in which, in an initial burst of post-NAFTA optimism, 52% of respondents felt more free trade treaties would help the job situation, compared to 32% who thought such treaties would hurt. Note also that the NBC/*Wall Street Journal* poll found, in both January and March of this year, that about three-fifths of the public thought free trade agreements with other countries cost the United States more jobs than they created.
12. See Skocpol (1996) for a detailed recounting of this episode.
13. See Teixeira (1994) and Appendix 1.
14. November 1994 Current Population Survey Voter Supplement.
15. See Baker and Mishel (1995) for supportive data on wage decline among non-college-educated men of all races.
16. This analysis helps explain the recent failures of election forecasting models driven by business cycle indicators of overall economic growth. For example, because the economy was already recovering before the 1992 election, many of the leading presidential forecasting models predicted a Bush victory (for example, Yale economist Ray Fair's). And in 1994, because of the continued business cycle expansion under Clinton, a leading House forecasting model predicted very modest Democratic losses—just five seats. See Lewis-Beck and Wrighton (1994). These models obviously are leaving out some important factors—chiefly, we would argue, the political effects of declining living standards.
17. For more on how people blame the government for favoring the wealthy and *failing to act* to protect the economic interests of the average citizen, see Hart/Mellman/AFL-CIO poll, April 19-22, 1996.
18. See also the *Business Week*/Harris polls, reported in the March 13, 1995 and March 11, 1996 issues of the magazine.
19. See Steeper (1995) for the most detailed explication of this viewpoint.

20. 1994 VNS exit poll; 1990 VRS exit poll; 1988 CBS/*New York Times* exit poll; 1984 CBS/*New York Times* exit poll. See also Pew Research Center (1996a) for supportive data on the relative stability of conservative self-identification in the electorate. The Pew Center data are drawn from CBS/*New York Times* and *Los Angeles Times* national polls and go back to 1977 and 1980, respectively.
21. This basic model was estimated using OLS on both the 1992 and 1994 exit poll data and included: (1) standard demographics (education, income, age, marital status, religion, race, and sex); (2) assessments of both national and personal economic situations; and (3) partisanship and ideology. The model was also estimated using on MLE procedure (probit). The pattern of results from the probit model mimics the OLS results.
22. This shift was also signalled on the descriptive level: the percentage of independents voting Democratic for the House dropped 11 points between 1992 and 1994. For some reason, this shift was generally ignored in post-election analyses, while the shift among conservatives got a good amount of attention.
23. Differences in coefficients were tested by pooling the data from the two years and estimating interaction effects between variables and a year dummy for 1994. For conservatism, the interaction effect had magnitude .0015 and a standard error of .024. This produced a t-statistic of .064, which translates into a significance level of .9493—very insignificant, indeed.
24. The analysis was performed using a standard Oaxaca decomposition procedure on the basic House vote models shown in Appendix 2. Performing this procedure using probit, rather than OLS, models does not change the basic pattern of results.
25. McManus (1996); Mitchell (1996).
26. Based on the 1994 OLS model cited previously, with a variable for mentioning crime added to the model. See also Hagen (1995) for evidence on the weakness of crime as a voting issue, not only in 1994, but in previous elections as well.
27. See Teixeira (1996) for a discussion of the linkage between values and living standards as political issues.
28. Based on authors' analysis of November 1994 Current Population Survey Voter Supplement data. Note that these data overstate the actual level of turnout among any demographic group due to overreporting by survey respondents. For example, the overall level of turnout reported in the November 1994 CPS was 44.6%, compared to the actual turnout level of 38.8%, as compiled from official data (Committee for the Study of the American Electorate 1995). Correcting for this overreporting, we estimate that the turnout of poor voters was closer to 26% than the 30% reported in the CPS data.
29. For recent discussion, see Teixeira's *The Disappearing American Voter* (1992); for historical context, see Burnham's *The Current Crisis of American Politics* (1982).
30. 1994 VNS exit poll.
31. This is because overreporting in the 1990 survey was relatively high, thereby artificially increasing the amount of turnout decline measured by the 1994 survey. Correcting for this differential overreporting suggests a decline in turnout among low-income voters of 2.3, not five, percentage points.
32. Committee for the Study of the American Electorate (1995).
33. See also Tuchfarber, Bennett, Smith, and Rademacher (1995) for an analysis of the differential turnout argument that comes to a similar conclusion using different data and a different methodology.
34. See also Brady, Cogan, and Rivers (1995) for evidence that level of turnout was not a significant predictor of Republican gains.
35. Various NBC News/*Wall Street Journal* and CNN/*USA Today*/Gallup polls, November 1994 through February 1995.
36. May 1996 NBC News/*Wall Street Journal* poll; May 9-12, 1996 CNN/*USA Today*/Gallup polls.
37. Actually, quite weak by historical standards. See Galbraith (1996).
38. All wage data based on Mishel, Bernstein, and Schmitt (1996, forthcoming).

39. See especially the lengthy series in the *New York Times* (1996).
40. Of course, given the relatively low unemployment in the 1994-96 period, it has been fairly easy for downsized employees to get another job and avoid unemployment. Some have therefore argued that the attention paid to downsizing is simply a media fad. However, the big impact of downsizing on households' living standards comes not from household members being out of work for a while but rather from those members becoming reemployed at a significantly lower wage. And one reason downsizing has provoked such particular anxiety in the 1990s is that the gap in wage levels between old and new jobs is now much larger than it was in the 1980s. In such a situation, ease of reemployment does not do much to allay economic anxiety.
41. See Edsall (1995b) for data and a lucid discussion of the evolution of the Democrats' battle with the Republicans.
42. See for example the data in the November 6-8, 1995 CNN/*USA Today*/Gallup poll.
43. These responses are from the following polls: distrust: CNN/*USA Today*/Gallup, May 9-12, 1996; smaller government: *Los Angeles Times*, April 13-16, 1996; government doing too much: NBC/*Wall Street Journal*, December 1-5, 1995; high taxes: Hart-Mellman/AFL-CIO, April 19-22, 1996.
44. These responses are from the following polls: dissatisfaction: CNN/*USA Today*/Gallup, March 15-17, 1996; wrong track: ABC/*Washington Post*, June 20-23, 1996; state of national economy: CNN/*USA Today*/Gallup, May 9-12, 1996; getting worse: CBS/*New York Times*, July 11-13, 1996; next generation: NBC/*Wall Street Journal*, June 20-25, 1996; falling behind: NBC/*Wall Street Journal*, May 10-14, 1996.
45. These responses are from the following polls: financial situation: CBS/*New York Times*, May 31-June 3, 1996; falling behind: NBC/*Wall Street Journal*, June 20-25, 1996.
46. See Schneider (1996).
47. See Edsall (1995a) and Broder (1996).
48. These data were reported in Shields (1996).
49. See Pew Research Center (1996c) for pertinent data and tables.
50. CNN/*USA Today*/Gallup polls, July 7-9, 1995 and May 9-12, 1996.
51. Hart/Mellman/AFL-CIO, April 19-22, 1996.
52. NBC/*Wall Street Journal*, May 10-14-1996.
53. We thank Rick McGahey for conversations on this subject.
54. Average rating of 8.1 out of 10 as a description of the U.S. economy, including 50% who gave the description a perfect 10 rating (Hart/Mellman/AFL-CIO, April 19-22, 1996).
55. Pew Research Center poll, January 11-14, 1996.
56. Congressional Budget Office forecast reported in Bartlett (1996).
57. See Teixeira and Molyneux (1993) for a review of pertinent polling data.
58. NBC/*Wall Street Journal*, March 1-5 and May 10-14, 1996.
59. Hart/Mellman/AFL-CIO, April 19-22, 1996.
60. Hart/Mellman/AFL-CIO, April 19-22, 1996.
61. In this sense, new economy populism is consistent with the sort of new economy progressivism advocated by Dionne (1996).
62. Illustrating this hunger for new rules and limits on economic power, by a 2-1 margin (62% to 31%), the public says "government needs to be more involved in holding corporations to a higher standard of responsibility..." rather than "if government tries to interfere with free enterprise by telling corporations what they can and can't do, it will only make things worse..." (Hart/Mellman/AFL-CIO, April 19-22, 1996).

63. It is important to emphasize the term "won over." Just as it took the Republicans much strenuous effort to successfully mobilize anti-government populism, so the Democrats will have to work hard to mobilize new economy populism. This will be particularly true when faced with opposition from the business community and from conservatives within Congress. As Clinton's record demonstrates, refusal to mobilize public opinion gives these well-entrenched forces more than enough room to block new initiatives. See Judis (1996) for a lucid recounting of several choice points in the Clinton presidency where a mobilization strategy was rejected, forcing him to give up on key components of his campaign program.

64. A check of 1988 validated vote data from the NES showed basically the same pattern. Vote data were not validated for the 1992 NES, so a similar check could not be performed for that year.

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