

# New Models Debt Ceiling Groups with Independents

August 2011

## OVERVIEW

Presentation Testing conducted two mixed-gender focus groups in St. Louis, MO, on August 4, 2011. One group contained 12 McCain-voting moderate Independents, and the other contained 12 Obama-voting moderate Independents.

In each session, we initially collected information on how much each participant already knew about the key provisions in the Budget Control Act of 2011. We then had participants rate eight provisions in the Budget Control Act of 2011 on how favorably or unfavorably they viewed each one on a scale from zero to 10, using our dial testing methodology. Next, participants rated how strongly they agreed or disagreed with a series of statements made by policymakers regarding the debt ceiling issue.

### **1) Most knew only the barest of details about the new law, though a handful knew a lot**

Most knew at least one thing. The items most widely known (when we gave them a blank sheet of paper to write down the key provisions) were that the debt ceiling was lifted, there will be budget cuts, and there will be a new committee formed. There were differing views over whether there will be new taxes, and whether defense, Social Security & Medicare will be cut.

### **2) None of the key provisions of the law were viewed very favorably; two were viewed moderately favorably on a zero-to-10 scale**

The two best-scoring provisions were:

*Congress must cast an up or down vote on the joint committee's plan, with no amendments and no delays, by December 23, 2011.* (McCain Independents, 6.8; Obama Independents 7.8)

Of those who rated this provision highly, both groups liked the deadline. Obama Independents also liked that there would be no amendments. The McCain Independents were split:

“I just like the fact that there’s no amendments and no delays. We’ll actually get something done... possibly.” – Katy, Obama-voting Independent

“[I view this provision favorably] because they have to do it. You had all this five months or six months of bickering over the debt limit—that’s ridiculous, for something that used to be passed

automatically. They should be arguing over jobs. People need jobs.” – Victor, Obama-voting Independent

“[I like that] they can’t make any amendments to it. It’s black or white, that’s it. That’s all they’re going to get.” – Greg, Obama-voting Independent

“I was very unfavorable because with no amendments, you don’t know if it’s someone is going to put some crackpot provision in there and blows up the whole thing. I like that there are no delays and they have to cast a vote. Just the fact that you can’t change whatever that group of 12 come up with. I didn’t feel that that was a good thing.” – Steve, McCain-voting Independent

“I liked the no amendments. I feel like it goes too far, everyone has a say in it, and it’s going to get all turned around. Let’s just go with something, vote on it yes or no and be done. If it goes down they go back to the drawing board. I like the no amendments.” – Karen, McCain-voting Independent

*By December 31, 2011, both houses of Congress must hold a vote on sending a balanced budget amendment to the Constitution to the 50 states for ratification. (In order to approve the amendment in Congress and send it on to the states, it needs a two-thirds majority in each house.)* (McCain Independents, 7.2; Obama Independents 6.3)

While this statement scored well, nonetheless there were substantial levels of skepticism about the effectiveness of a balanced budget amendment:

“To me, a balanced budget amendment sounds good but states can’t print money. The Federal government can print money. You don’t know what the future holds: wars, catastrophes, natural disasters. If we have a major tsunami or something of that nature, the federal government is the only source of help. You may have to go into a deficit that year to subsidize your citizens. It sounds good but I don’t think a balanced budget is practical.” – Joe, McCain-voting Independent

“I can see this being exactly the same as the debt ceiling. It sounds great when you aren’t in a predicament but when you bump up against it, you’re going to have an issue where you make exceptions.” – Steve, McCain-voting Independent

“In reality I don’t think it’s going to happen. First of all, even if you get it to the 50 states, how long is that going to take to get it

through them? This does not seem like it's going to happen. They're going to want their Christmas break." – Diane, Obama-voting Independent

"It's the wrong time to do it. Personally, I disagree with it because I think there are times the governments do need to run deficits. It happens, you shouldn't like it, but sometimes it needs to happen. But doing it in reaction to a crisis like this is going to artificially swing the sentiment one way, and you're going to get stuck with something you may not like a year down the road." – Derek, Obama-voting Independent

### **3) The provision that was widely panned was the Draconian cuts in defense.**

Both groups were strongly opposed to this idea, and many even thought it would not happen because these cuts would put our country at risk. Ten out of 12 McCain-voting Independents and nine out of 12 Obama-voting Independents were very concerned about cuts to defense.

*If Congress fails to approve the plan from the joint committee, across-the-board budget cuts of \$1.2 trillion over 10 years would be triggered. Half of the cuts would come from national security and defense. Medicare would be subject to limited cuts. Social Security and Medicaid are excluded. The cuts will take effect beginning January 2013. (McCain Independents, 4.5; Obama Independents 3.7)*

"It makes me uneasy when half of the cuts come from defense and national security." – Alicia, McCain-voting Independent

"Don't we remember who we're in debt to? If we cut our national security and defense, [what about the] people we give money to who don't even like us? That's the last thing we need to be cutting." – James, McCain-voting Independent

"I assume that it only means active duty service people and not veterans. I think it's a terrible time because there are a lot of countries that hate us. There is so much going on in the world and it seems like we need defense and national security more than ever. Now, they are cutting a huge chunk out of it? It seems like this President wants to destroy this country." – Carolyn, McCain-voting Independent

"It's almost scary. They say half of the cuts are coming from those two things, so then it makes you worry where the other cuts are coming from." – Katy, Obama-voting Independent

“I worry about what happens to the country if we cut our budget—I mean, that’s a lot of money to cut out of national security and defense. That makes us extremely vulnerable as a country, as people.” – Diane, Obama-voting Independent

“I kind of looked at this differently because in the beginning, where it says ‘If Congress fails to approve’...Because of the fact that it is scary, I looked at it as more of a continuing to force them and putting the pressure back on the voters to say, ‘I’m not going to have this. If you fail to approve this, we’re not going to stand for this.’ So putting it back on us to put the pressure on them to say, ‘You have got to look seriously at approving this plan that comes out of this joint committee.’” – Julie, Obama-voting Independent

Additionally, Obama-voting Independents were concerned that the new bill addressed only cuts, but did not generate revenues, either through closing loopholes or raising taxes. McCain-voting Independents were not pleased with the lack of cuts to entitlement programs.

“You have to focus on the tax codes too. It’s not fair when a billionaire pays 19 percent, and a secretary is going to pay 23 percent. That should be straightened out. That’s ridiculous.” – Victor, Obama-voting Independent

“My argument would be is it’s only cuts towards balancing the budget. There’s nothing considered as far as revenue enhancements—either additional taxes or closing loopholes or things like that.” – George, Obama-voting Independent

“Two-thirds of our budget is entitlements, and we’re not touching that, so it can’t be considered across the board when you are keeping two-thirds of it out.” – Brad, McCain-voting Independent

#### **4) Be careful to not over-promise with the Balanced Budget Amendment**

We asked respondents to react to 18 statements about the new law (nine pro, nine con, alternating back and forth), pulled from all sides in the debate. This statement scored quite poorly, on a zero-to-10 scale of agreement:

*The Balanced Budget Amendment is a game-changer, and fighting for its ratification is the ultimate solution to our nation’s fiscal crisis. (McCain Independents, 4.9; Obama Independents 3.1)*

There's just not that much faith placed in the BBA's ability to effect change. It's viewed as a "first step" and one of many ways to address our fiscal crisis. Avoid absolutes like “ultimate.”

“I think the Balanced Budget Amendment is one of those things that sounds good but it’s not a practical measure to take at the Federal level.” – Joe, McCain-voting Independent

“How do they know this is going to be the ultimate solution? Why do they think this is the answer after all of these years? What is this really going to change in the long run? I think it’s going to be a lot more votes. It shouldn’t change anything in the long run. I would hope something changes, but as of what happened yesterday, I kind of see why the stock market did it [i.e. plummeted]. Now what’s going to happen? Everyone still has a big question mark.” – Kelly, McCain-voting Independent

“I want it to be a game changer. It should be drastic and it should take steps to get a balanced budget if we’re going to stay alive as a big power in the world. I want it to be a game changer. I want it to come to an agreement. And these cuts should be drastic across the board.” – Karen, McCain-voting Independent

“The amendment itself is going to have to be a game changer to make the people do it.” – Jeremy, McCain-voting Independent

“The Balanced Budget Amendment is a short-term fix. For an ultimate solution, you’ve got to have a broader range of programs.” – Andrew, McCain-voting Independent

“‘Ultimate solution.’ Seriously? I think that they really need to relook at that. I don’t agree that it is the best thing they can possibly do.” – Katy, Obama-voting Independent

“Balanced budget amendment may not always be the most appropriate fiscal decision for Congress to make. There are times it may not be the best decision, and tying their hand with an amendment may not be in the best interests of the nation.” – George, Obama-voting Independent

“I strongly disagree with it because that’s not the ultimate solution—cutting spending and whatever. There needs to be tax increases, or a straight tax across the board, or do away with income tax altogether....” – Greg, Obama-voting Independent

“I was actually probably in the minority on this, because I do agree. I think it’s unfortunate that it’s needed, but it’s apparently not working the way it was intended. They’re not doing what they’re supposed to be doing, and so if it’s going to take us the

voters telling them, ‘This is how you behave. You have to balance your budget.’ Any other business and any other person, I mean I have to balance mine, and when I ran my own business, I had to.”  
– Julie, Obama-voting Independent

“... change ‘ultimate solution’ to maybe the ‘first step to a solution.’” – Patrick, Obama-voting Independent

## 5) Independents don't think the Republicans were all that amazing in this debate

Three other statements, all GOP-self-promoting, fizzled:

*House Republicans have led the fight for controlling spending and saving our children and grandchildren from national bankruptcy, voting to actually shrink a federal government that has done nothing but expand for the past 40 years.*  
(McCain Independents, 5.9; Obama Independents 4.3)

“I remember back eight or 10 years ago, the House Republicans were not leading the fight for spending. This week they may make this claim, but that isn’t where they’ve always been.” – Joe, McCain-voting Independent

“I agree with Joe. I like the word he uses: ‘claim.’ They claimed they have done that, when in reality I don’t know if they have or not.” – Nancy, McCain-voting Independent

“I disagreed strongly. The statement to me sounds more like hyperbole and trying to garner public support rather than addressing what really is a serious problem.” – George, Obama-voting Independent

“Didn’t Clinton balance [the] budget?” – Diane, Obama-voting Independent

This statement also backfired:

*While this debt limit deal isn’t perfect, it shows how much House Republicans have changed the terms of the debate in Washington.* (McCain Independents, 5.4; Obama Independents 5.1)

“Like I said, ‘It’s my way or the highway. You either do it my way or it don’t get done.’ I don’t care if the debt limit is blowing away. It doesn’t matter. I don’t care if we can’t pay our bills. That’s what they did.”- Victor, Obama-voting Independent

“For the 67 years I’ve been on this earth, in the last 20, I have just slowly watched it disintegrate. This country is pitiful, and it makes me sad to think that my grandchildren are going to have to deal with this. And it’s not the Republicans, it’s not the Democrats, it’s not President Obama—he is not a king. His word is not the ends of all. It’s responsibility that nobody wants to take. It’s just so overwhelming. It’s just BS everywhere.” – Janet, Obama-voting Independent

“All the parties have some responsibility for what’s happened with the debt. I don’t think that it’s just the Republicans that are helping.” – Katy, Obama-voting Independent

“I think that the only change that these Republicans made this time was that they were being somewhat influenced by the tea party and pressure from them. Plus, they had some new Congressmen and Senators who were voted into office this past November, who were not willing to go along with the program that has always been. I think that puts some pressure on the Republicans. I don’t think that really changed anything.” – Carolyn, McCain-voting Independent

*The cuts may be small relative to the size of the problem, but the change in direction is historic. For the first time in the history of modern federal budgeting, House Republicans will cut discretionary federal spending for two straight years. (McCain Independents, 6.0; Obama Independents 4.6)*

“When you’re looking at something over a two-year period, it’s drastic to say it’s historic. I read the statement and divided it up into two parts. Part 1 being that it’s historic, and part 2 is what followed. I don’t think that the cuts themselves from the Republicans are historic at all. They realized to what level the deficit has gotten and that something needs to be done but it’s a pretty odd term for two years’ worth of cuts in spending.” – Andrew, McCain-voting Independent

“If you take the statement at face value, I agree with it, but I don’t know it to be fact.” – Jeremy, McCain-voting Independent

“To call it ‘historic’ because you cut spending two years in a row, my mom would say, ‘Don’t hurt your arm patting yourself on the back.’ I wouldn’t call it historic; I’d call it pathetic. That for the first time, they’ve been able to do discretionary spending two years in a row...I mean discretionary spending is the stuff we don’t have to spend, it’s what the government chooses to spend.” Derek, Obama-voting Independent

“I wasn’t 100% certain that it’s been a two-year cut, so I wasn’t going to [give it a 10] because I wasn’t sure if it is accurate. I would say that portions of the Republican Party did drive a lot of the cuts, and drive more towards the cuts than any other party or any other group in Congress. So they probably can dislocate their shoulder a little bit, but I just, I wasn’t confident in the fact that it was accurate, which is why I wasn’t giving it [a 10].” – George, Obama-voting Independent

## 6) You need to tie this topic back to jobs

The Republicans’ best-scoring statement was this one:

*Taking steps towards fixing our fiscal problems will provide more confidence for employers in America, the people we expect to reinvest in our economy and create jobs.* (McCain Independents, 7.9; Obama Independents 6.4)

We heard the following explanations for why respondents agreed with this statement:

“When we talk about the debt crisis, there is a lot of uncertainty when we talk about certain groups not getting paid. I think that raises a lot of concern about the business sector. I initially highly agreed with this statement partially because of that but also because cutting spending would improve the employment picture. Now that I re-read it, depending on what steps are taken, it could potentially hurt, especially if we are talking about raising taxes or increasing the burden on corporations. That could have a negative impact. I think it could go either way.” – Steve, McCain-voting Independent

“The bottom line is that in order to get the economy going, they are going to have to create jobs. When you are focused on the state levels and those local governments have to slash a number of jobs, it’s not going to help the bottom line.” – Andrew, McCain-voting Independent

“I agreed with it because government doesn’t create jobs. Private industry creates jobs.” Jeremy, McCain-voting Independent

Independents in both groups mentioned that economic “stability” was missing from this statement. This fits with both groups general feeling of a lack of consumer and employer confidence. It may be helpful to use this term, as it appeals to both McCain-voting Independents and Obama-voting Independents.

“I was fairly in favor of it because I do believe that **stability** and confidence in what the future holds is a positive driving force for businesses and the economy in general. That’s demonstrated by the lack of **stability** in our markets and fiscal decisions recently, and the state of our current market crisis.” – George, Obama-voting Independent

“I think the word **stabilizing** could be put in somewhere. Even if the country is terribly in debt, but the economy is **stable**, employers would know their overhead, taxes and how much money they’ll have to pay for health insurance. If they know what’s there, then they know that they feel comfortable hiring people, but if they don’t know because next year taxes may go up, then they know they can’t afford to.” – Carolyn, McCain-voting Independent

But not all respondents were in agreement:

“It’ll cost my company jobs. My company is going to shrink with the budget cuts. I’m in the defense sector of the economy, so we’ll just face more layoffs.” – Diane, Obama-voting Independent

“They keep saying if we raise taxes, it’ll kill jobs. We’ve cut taxes, so where are the jobs?” – Victor, Obama-voting Independent

Also, there was some concern among Obama-voting Independents over “outsourcing” being a “fiscal problem.” Eight of 12 Obama-voting Independents felt that outsourcing was a fiscal problem.

“Does this mean that fewer employers will cease in having overseas people doing the work? Will there be more jobs for here?” – Jesse, Obama-voting Independent

“The companies send jobs overseas and they get tax breaks. Does that make sense? If you want to do it overseas, keep your products there. If you want to sell them here, then tax them. That’s what China does to us, and I believe do unto others what they do unto you.” – Victor, Obama-voting Independent

Importantly and relatedly, your opponents' best-scoring line (on average) for both groups was this one:

*There is nothing in this deal that will address the significant jobs crisis we are facing.* (McCain Independents, 8.4; Obama Independents 8.8)

**7) Tea-Party criticisms of the new law resonate with McCain Independents and somewhat with Obama Independents**

The overall sentiment embodied in these statements is that people want results now and are impatient:

*This new law cuts too little in fiscal year 2012, and relies too heavily on promises of future cuts. (McCain Independents, 7.5; Obama Independents 6.7)*

*The formation of yet another commission to examine the debt crisis is an abdication by Congress of the responsibility to make tough decisions that address long-term problems. (McCain Independents, 7.5; Obama Independents 6.5)*

*If decisions on spending cuts are deferred to a commission, whose recommendations may or may not be acceptable, the \$2.4 trillion increase in the debt ceiling requested by Obama could once again be swallowed up by projects that do nothing to change the budgetary outlook. In no time at all, we'll be right back where we are today. (McCain Independents, 7.3; Obama Independents 5.9)*

“We are relying too much on the future. I want to see something now. I don't want to see a few billion in the first year.” – Kelly, McCain-voting Independent

“They are just putting off what they could be doing today until tomorrow.” – James, McCain-voting Independent

“They did the same thing with health care. They put off all of the spending. The Bush tax cuts were all temporary so they put that off too. Everyone in Congress is just delaying so that it becomes someone else's problem.” – Steve, McCain-voting Independent

“I'm on the other side...Take off little slices at a time and then work your way towards bigger cuts.” – Andrew, McCain-voting Independent

**8) Avoid these kinds of statements:**

*This deal is a sugar-coated Satan sandwich.*

This statement scored the lowest for McCain-voting Independents (4.9) and second lowest for Obama-voting Independents (3.5). This sort of hyperbole is not appealing to anyone. It will be important to avoid making this same mistake.

**9) There is common ground amongst both McCain-voting Independents and Obama-voting Independents:**

Some over-arching themes emerged throughout both sessions. Both groups have an overall negative outlook regarding politics, have diminished trust in elected officials on both sides, and do not want continued divisiveness and arguing without a perceived benefit. Not surprisingly, McCain-voting Independents were more interested in cutting entitlement programs and Obama-voting Independents were more interested in altering the tax code, but there was still common ground amongst both groups.

Regarding a negative outlook regarding politics, we heard:

“This whole thing just ticks me off. You don’t want to get me started. I’m up to here with it. It would be good if [this provision] happened, but I don’t believe it will. I don’t trust anybody up there.” – Janet, Obama-voting Independent

“I would say they are just trying to keep their jobs. I don’t think they are concerned about this country.” – Carolyn, McCain-voting Independent

Regarding diminished trust in elected officials, respondents said:

“It’s so they don’t have to talk about this ugly topic during election year.” – Jeremy, McCain-voting Independent

“When we elect our representatives and the folks we send to Washington, aren’t we giving them our vote? Is that not how our government is supposed to work? So when we send them to make intelligent decisions on our behalf, shouldn’t they be doing that? Why do we need to have that come back to us for another vote if they had done their job right in the beginning? And acted like grownups instead of idiots. I have this really bad feeling about the people we send to Washington right now for not acting like mature, responsible people.” – Diane, Obama-voting Independent

They do not want arguing without perceived benefit:

“Perhaps for me, what I saw in the last couple of weeks seemed to be very heavily the President against Congress. At no point could the leaders of either party or the President, that’s three people, sit down and come up with a compromise.” – Nancy, McCain-voting Independent

“We needed to get it done. Even though the stock market tanked today, it’s something that had to be done. You have to pay your

bills, and it's ridiculous when Congress fights over paying bills that they approved." – Victor, Obama-voting Independent

Both groups, particularly McCain-voting Independents, mentioned government waste as being an area that can be addressed to find room in the budget. McCain-voting Independents were even willing to consider alterations to the tax code and Obama-voting Independents were willing to consider cuts to entitlement programs. Both groups expressed wanting compromise, certainty and felt the biggest issue was job creation.

"I think it all needs to come from cuts. There is so much **waste**. People are looking out for themselves and politicians are getting rich on this. No one is willing to make the cuts that are necessary.... There is **waste** all over the government." – Steve, McCain-voting Independent

"To me, the key is **waste**, not necessarily cuts. With a lot of the programs in place, from defense to everything else, they aren't administered properly. Not that the program is bad, but it has loopholes in it that allow individual and companies to get money that should not go to them." – Nancy, McCain-voting Independent

"I still haven't heard anything about cuts to pork. That's what we should be focusing on, instead of cutting things from our military and Medicare. Why don't you just stop all the pork that you add to everything, that you sign into law for millions of dollars of **waste** for nonsense? Why not focus on that? At least hold earmarks. I want to focus on that." – Douglass, Obama-voting Independent

On taxes we heard:

"The issue for me is it's unrealistic for us to say we're not going to raise taxes. The question is, 'Where is the money going to come from?' That's the big want for both parties as to how the money will be collected. What kind of tax? Everything from the flat tax to what have you has been thrown out there." – Nancy, McCain-voting Independent

"The big win was passing a measure, not the fact that there were 'no tax hikes'." Andrew, McCain-voting Independent

"My argument would be is it's only cuts towards balancing the budget. There's nothing considered as far as revenue enhancements—either additional taxes or closing loopholes or things like that." – George, Obama-voting Independent

“Congress knows there are problems with the tax code. Why don’t they go in there and change them? We send them there to correct things, and if they know there are obvious errors in it, why don’t they correct that? It doesn’t make sense.” – Victor, Obama-voting Independent

Respondents said this about entitlements:

“I’m sure that there are some places in the defense budget that can be cut. I don’t think they should be deep cuts. I’m sure there is waste in everyone one of those programs, including entitlements that can be cut.” – Karen, McCain-voting Independent

“... he’s (Obama’s) not willing to make these massive cuts that are necessary now to get us back quickly to a position of fiscal responsibility. Instead, he wants to take an approach that someone might convince me and make me think about it. He wants to raise taxes across the board and only do a small percentage in cuts.” – Derek, Obama-voting Independent

It may be beneficial to make it clear that both parties are working towards shrinking/eliminating government waste, not haphazardly cutting essential programs (defense, entitlements) or unduly raising taxes.

#### **10) Boehner emerged as a leader among McCain-voting Independents:**

Nine out of twelve participants viewed Speaker Boehner more positively. He was described as “determined,” “stronger,” “a political leader,” “having political craftsmanship and a backbone besides,” and was given credit for leading his party.

There was no real consensus among Obama-voting Independents about individuals who they perceived more positively or negatively as a result of the debates.

#### **11) Perception of players in the debt ceiling debate:**

McCain-voting Independents viewed Obama as: “un-presidential,” “blaming (Boehner)” and “childish.” Obama-voting Independents viewed Obama as: “presidential,” “weak,” “cool” and “frustrated.”

McCain-voting Independents viewed the Democrats as “out-of-touch,” “dumbfounded,” “shell-shocked” and “passive aggressive.”

Obama-voting Independents viewed the Democrats as “spectators,” “babbling idiots,” and “ineffective.”

McCain-voting Independents viewed the non-Tea Party Republicans as “pushed around by the Tea Party” and “ineffective.”

Obama-voting Independents viewed non-Tea Party Republicans as “spectators,” “handcuffed,” and “excluded.”

McCain-voting Independents viewed Tea Party Republicans as: “admirable,” “bullies” and “crazy.”

Obama-voting Independents viewed Tea Party Republicans as: “ridiculous,” “obstreperous,” “doofuses,” and “venomous Cheshire cats”.

For more information, contact Presentation Testing, Inc. at 212-760-4358.