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The Obama Coalition

By Thomas B. Edsall

Over the last two years, there has been a massive increase in the number of people who have no place to turn except to the government. Enactment of the Obama administration's health care reform legislation demonstrates the growing power of this burgeoning constituency—a constituency which will reap a disproportionate share of the \$1 trillion in new health care spending over the next decade.

There are many ways to measure the expanding multitudes of those in need. From February 2008 to February 2010, the number of unemployed men and women doubled from 7.4 million to 14.9 million.

In addition to these almost 15 million unemployed, the number of people who say they want to work, but who have given up trying, grew from 4.8 million to 6.2 million over the same period. Added to these are the people working part time who cannot get regular jobs: this population grew from 4.8 million to 8.9 million. Altogether, this makes a total of 30 million Americans out of work or underemployed.

The numbers are bad enough, but there is a growing consensus among economists that the unemployment problem is likely to become structural—no longer a temporary phenomenon.

One of the most striking indicators of the potentially enduring unemployment status of many of those now out of work is the increase in the number of people who have been without jobs for six months or more. These people have the hardest time making it back into the workforce, and the growth of this population suggests that more and more people who lose a job face the danger that unemployment will become permanent.

For most of the past decade, the number of people out of work for 27 weeks or more fluctuated from a low of 649,000 in 2000 to a high of 1,936,000 in 2003. In February 2008, there were 1.3 people unemployed for at least half a year. In February 2009, the number shot up to 3 million, and by February, 2010, it had multiplied to 6.1 million – a 469 percent increase in two years.

The combination of persistent, prolonged unemployment, record deficits, the refusal of Republicans to raise taxes, the underfunded Social Security Trust Fund, and a demographic transition moving the nation closer to a non-white voting majority have, together, revived, enlarged, and intensified the battle for limited government resources—pitting those seeking to protect what they have against those seeking more.

The ranks of those who identify with either the "haves" or the "have-nots" are swollen, while the number of those seeing themselves as in the middle, centrally positioned, has declined.

On the "have-not" side of the ledger, inflation-adjusted household income fell by 3.6 percent between 2007 and 2008, from \$52,163 to \$50,303. The number of people with incomes lower than 125 percent of the poverty line rose by just under 3 million, from 50.9 million (17.0 percent of the population) to 53.8 million (17.9 percent of the population) during the same period. Worsening poverty will inevitably become evident when data for 2009 is available. Over the past two years, the number of men and women working at least 35 hours a week in the U.S. fell nearly 11 million, from 121.47 million in February 2007, to 110.84 million in February 2010. To keep up with population growth, the economy would have had to add 4.9 million new jobs.

These developments are functioning to aggravate fear among the "haves" that the competition for resources cannot be resolved by traditional means — that is, by economic growth. And those fears are compounded by official projections that the total federal debt will reach \$15 trillion by 2020. The February 12 re-enactment of "pay-as-you-go" (PAYGO) legislation will, if enforced, serve to sharpen the battle over taxes and spending. Net annual interest on the debt will more than triple during the next ten years, according to the Congressional Budget Office, shooting from \$207 billion in 2010, to \$723 billion in 2020, more than doubling as a share of GDP, from 1.4 percent to 3.2 percent.

The current economic straitjacket is forcing government constraint that is turning traditional policy conflicts between the "haves" and "have-nots" into a zero-sum struggle, in which the gains of one side are at the expense of the other. This exacerbated resource competition over limited government dollars makes it extremely difficult to persuade doubters that the Obama administration's health and energy agendas can be achieved with little or no pain.

In addition, the Senate is scheduled in April to determine how to prevent a devastating 21 percent cut in Medicare payments to doctors, a cut which is required under current law. If no action is taken, the number of doctors refusing to take Medicare patients is likely to explode, creating a major political problem for members of Congress. Should Congress step in and prevent the cuts, it will cost the government roughly \$200 billion over the next ten years. Many center-right Senators—including some Democrats — insist that legislation approving higher physician pay be enacted under the rules of PAYGO. In that case, Congress will have to find areas to cut to make up for the added spending. The zero-sum game will continue.

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The elderly may be the most critical of health care reform and most wary of the Democratic administration, but they are the leading edge of a broader defection. Public opinion polling on health care and data on Obama's favorability ratings show that voters who feel they have the most to lose from health care reform — voters who fall into a reconfigured coalition of "haves"—are not primarily well-to-do voters. Instead, the most apprehensive are those in the middle- and lower-middle class, a majority of them white.

Surveys by the Wall Street Journal/NBC, by Gallup, and by the Kaiser Foundation all point to a concentration of dissatisfaction among whites, many without college degrees, with family incomes in the \$50,000 to \$90,000 range. Gallup, on March 24, found that pluralities of those with incomes between \$25,000 and \$59,999 and \$60,000 to \$89,999 thought passage of the health care bill was "a bad thing," 45-43 and 48-42 respectively, while pluralities of those both below and above those income levels believed it was "a good thing"—65-23 for those on the bottom, and 49-46 for those making \$90,000 or more. Some 73 percent of non-whites thought passage was "a good thing," while only 40 percent of whites did.

These same voters have been the driving force behind the steady growth over the past year in the percentage of voters who think they will personally be worse off with the passage of health care reform. In monthly surveys from February 2009 to March 2010, Kaiser found relatively little change in the percentage who think they will be better off with health care reform. From February to November, 2009, this figure stayed in the high 30s and low 40s. After that, it dropped modestly to the mid-30s, and was at 35 percent in March. In contrast, the percentage convinced they will be worse off has risen steadily over the 14 months, nearly tripling from 11 percent in February 2009 to 32 percent this March.

These dissenting voters, even though many are of modest means, see themselves as having something to lose as access to health care is opened to 32 million currently uninsured Americans.

There is another constituency—self-employed men and women (often barely afloat)—who *identify* with the "haves," their present economic status notwithstanding. What they have is not so much current wealth, but a history of, or aspiration towards, status, authority, and autonomy. They are not willing to relinquish their past beliefs or their goals for the future. They conceive of themselves as self-reliant and as integral to what was once an undisputed notion of "American Exceptionalism." The number of the self-employed is expanding at a much faster pace than the population as a whole—to some extent out of necessity, as firms impose major cutbacks, forcing employees to go out on their own. The best measure of the rate of growth of this population, which includes proprietors of small businesses hit by the recession, is the number of persons who file "non-employer" tax returns, a figure tracked by the U.S. Census. If there is one group that has strong anti-tax and anti-spending views, it is the nation's self-employed small businessmen and women. Few livelihoods reinforce individualism as much as having to work for yourself, pay your own taxes (including Social Security), and calculate the cost and necessity of health insurance—and too often, nowadays, see your ledger bleeding red ink. The communitarian instinct is not strong among these entrepreneurs.

From 1997 to 2007, the number of such filers went from 15.4 million to 21.7 million, a 41 percent increase, two-and-a-half times the rate of population growth, 15.9 percent.

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At the same time that the ranks of those identifying with the "haves" have expanded to incorporate those of modest means, there are two other powerful forces—the rise in the number of non-white voters, and of unmarried men and women—boosting the ranks of the "have-nots."

Constituencies strongly supportive of government intervention in the economy to provide a much stronger safety net are expanding. In the 2008 election, three previously-marginalized groups—unmarried women, Latinos, and African Americans—made up 43 percent of the total electorate and just over 62 percent of the voters who backed Obama.

Ruy Teixeira, an expert in political demography, has demonstrated that in the 20 years from 1988 to 2008, the share of votes cast in presidential elections by ethnic or racial minorities grew from 15 to 26 percent of the total.

Single women voted by better than two to one for Obama over McCain (70-29 percent). In a post-election analysis, the polling firm Greenberg Quinlan Rosser concluded: "Barack Obama would have lost the women's vote and the 2008 election if it were not for the contribution of the unmarried woman. All told, Obama split men 49-48 percent, but lost married women 47-50 percent. Unmarried women, however, delivered 70 percent of their vote to the Democratic candidate, up from 62 percent in 2004.

While not as liberal as their female counterparts, single men are substantially further to the left than either married men or women. In the March 31 Gallup survey, a 51-41 majority of married people called passage of health care reform "a bad thing," while a decisive, 60-26, majority of the unmarried called it "a good thing."

As each of these left-leaning constituencies grows, they transform the Democratic Party. Greenberg Quinlan Rosner research surveys for the Democratic group Women's Voices, Women's Votes found that while 16 percent of the entire population received some form of public assistance, the percentage was much higher for the following constituencies: 28 percent for unmarried women, 36 percent for African Americans, and 26 percent for Hispanics.

A July, 2008, Gallup survey asked respondents to categorize themselves as either "haves" or "havenots." By nearly 2.5 to 1 (64-26), whites consider themselves "haves." In contrast, slight pluralities of both blacks and Hispanics see themselves as "have-nots," (46-45 and 48-40, respectively).

Data shedding further light on these findings can be found in a February 4, 2010 Gallup survey. In this survey, Gallup posed the following question: "Just off the top of your head, would you say you have a positive or negative image of each of the following? Small business, free enterprise, entrepreneurs, capitalism, big business, the federal government and socialism."

The first four of the seven items about which Gallup asked were viewed favorably by strong margins; respondents were split on big business (item five); and critical of the federal government (item six) by a slight, 51-46, margin. The survey demonstrated that just 36 percent of Americans view "socialism" (item seven) positively, and 58 percent have a negative view—not a particularly surprising finding. Looking further at the cross-tabs, however, the survey gets more interesting. By a solid 12 percentage points, 53-41, self-identified Democrats view socialism favorably, as do an even larger share of self-identified liberals, 61-34. Among these segments of the electorate, "socialism" is not rejected reflexively, according to Gallup. Decisive majorities of Republicans and conservatives were found to

hold negative views of socialism, by respective margins of 79-17 and 75-20. Gallup reported that by better than two to one, white respondents were critical of socialism, 64-31 negative-positive, while non-whites were favorable by a 49-40 margin.

Differing ideological stances of whites and racial/ethnic minorities are reflected in poll data measuring the decline in Obama's approval ratings. In November, 2009, Gallup found that the President's favorability ratings among minorities had dropped a modest 7 points from the beginning of 2009, from 80 percent positive down to 73 percent, but among whites the drop was a much more severe 22 points, dropping from 61 to 39 percent.

The white-black ideological split has been a constant in American politics for decades. In the series of election year polls conducted by the American National Election Survey (ANES, a Stanford-University of Michigan polling collaboration), blacks have consistently sided with the view that "government in Washington should see to it that every person has a job and a good standard of living" by much higher margins than whites—sometimes by more than 2 to 1. Conversely, ANES reports that many more whites than blacks agree that "government should provide fewer services, even in areas such as health and education, in order to reduce spending."

These general findings suggest the possibility that the political strength of voters whose convictions are perhaps best described as Social Democratic in the European sense is reaching a significant level in the United States. With effective organization and mobilization, such voters are positioned to set the agenda in the Democratic Party in the near future.

At the same time, the share of the electorate made up of the demographic group most strongly committed to a political agenda relatively favorable to the material interests of the "haves" is declining. The U.S. Census predicts that by 2050, non-Hispanic whites will no longer be in the majority. Teixeira, in a report for the liberal Center for American Progress, predicts that by 2016 "it is likely that the United States will no longer be a majority white Christian nation."

The potential or even incipient shift in the balance of power from "haves" to "have-nots" is not purely demographic. The shift stems from a combination of economic developments, especially the army of long-term unemployed and stagnant incomes at the bottom of the socioeconomic ladder.

Just as the number of the unemployed with bleak prospects has been growing, so too has been the number of those without health insurance. From 1987 to 2008, the percentage of people without coverage grew from 12.9 to 15.4 percent; and, in hard figures, from 31.03 million to 46.34 million. This is a constituency desperately in need of help, and the only source of help for many, if not most, is the government.

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While the uninsured have been increasing absolutely and as a percentage of the total population, so too has been the percentage of the population receiving government-financed medical coverage from Medicare or Medicaid. These two programs covered 21 percent of the population in 1987, and 28.4 percent of the population in 2008.

According to the Federal Bureau of Economic Analysis (BEA), the share of total personal income in the United States that comes from government transfer programs – Social Security, Medicare, veterans' benefits, unemployment compensation, etc. – has grown rapidly over the past six decades, from 5.9 cents of every dollar in 1950, to 8.5 cents in 1970, to 11.8 cents in 1990, 12.5 cents in 2000, to 17.3 cents in 2009. In addition, according to BEA, another 9.8 cents of every dollar went, in 2009, to salaries for state, local and federal government employees, a figure that does not include costs of fringe benefits. In other words, more than a quarter of all personal income in the United States is paid for with tax dollars.

Along the same lines, there are, according to the Catalogue of Federal Domestic Assistance, a total of 2,025 federal subsidy programs all with constituencies of varying size and political leanings. Health and Human Services tops the list with 383 programs, followed by Agriculture with 230, Interior with 204 and Education with 168. The constituencies receiving these benefits are attractive to both parties.

Karl Rove was no slouch on this front: the Bush administration's "faith-based initiative" amounted to an attempt use federal grants to lock conservative Christian organizations into the Republican orbit. The Cato Institute, in turn, pointedly noted that benefit programs added during the administration of George W. Bush included the Medicare prescription drug benefit at a cost of \$62 billion annually; new Homeland security grants, \$1.04 billion; local firefighter staffing grants, \$180 million; clean diesel funding assistance, \$156,000,000; healthy marriage promotion, \$150 million; and abstinence education, \$117 million.

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In 2009, a key constituency of the liberal coalition, organized labor, reached a critical turning point. Overall, union representation of private sector workers continued to fall to an almost insignificant 7.2 percent, or 7.43 million out of a total workforce of 108.07 million. Conversely, union representation of public sector workers continued to grow, reaching, in 2009, 37.4 percent, or 7.9 million out of 21.31 million employed by government entities at the state, federal, and local level.

While these trends have been in evidence for decades, last year, for the first time, public sector union members outnumbered those in the private sector. The consequences of this shift are profound. A majority of the American labor movement is now directly dependent on tax dollars. In terms of political orientation, these workers can now be described as tax consumers as well as tax payers. For these workers, a tax increase may result in a slightly smaller paycheck but, more importantly, the hike means more money is available to pay for raises and new benefits.

Union representation of public sector workers has, in turn, paid off. The Bureau of Labor Statistics reported in December, 2009, that the average wage of state and local government employees was \$39.83 per hour, \$26.24 in salary and \$13.60 in benefits. Conversely, private sector employees made an average of \$12.34 an hour less, or a total of \$27.49 (\$19.45 in salary, and \$8.05 in benefits).

The strength of the public sector unions is reflected not only in their superior compensation packages, but in the continued superior growth of those pay packages. From the four years between December

2005 and December 2009, total pay (salary and benefits) of private sector workers grew by 10.4 percent while government employees saw their pay rise by 14.1 percent. A 3.7 percent difference may not appear significant, but it translates to the fact that public sector pay is growing 35.6 percent faster than private sector pay. Those who are skilled at computing compound interest can figure out what this would mean over a work life of, say, 45 years.

Public support for labor unions has been plummeting. Pew found that from January, 2007 to February, 2010, the favorability rating of organized labor fell from 58 to 42 percent. Gallup, in turn, found in September 2009 that approval of labor unions had fallen to its lowest level, 48 percent, since the polling firm first asked the question in 1937.

What all these trends—the growing strength of minorities and single women, the conversion of organized labor from private to public sector employees—mean is that the fundamental economic issue in post-Great Depression American politics, the issue that dominated politics from the start of the Great Depression into the mid-1960s, has renewed salience. American National Election Studies (ANES) polls have tried to capture this economic issue, asking respondents: "Some people feel that the government in Washington should see to it that every person has a job and a good standard of living. Others think the government should just let each person get ahead on his/her own. Where would you place yourself?"

The ANES evidence is that this issue is coming back full force. In 1972, the earliest survey asking this question found Democrats siding with government by a statistically insignificant single percentage point, 34-33, and Republicans on the side of letting "each person get ahead on his/her own" by 31 points, 49-18, or a 32 point difference between Democrats and Republicans. By 2004 (2008 data are not yet available), Democrats became decisively more supportive of the government's obligation to insure a job and a good standard of living, by a margin of 42-25, or 17 points, while Republicans moved farther in the opposite direction, 61-12, or 48 points against. In effect, the 32 point difference between Democrats and Republicans in 1972 grew to a statistically striking 65 points by 2004.

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Health care reform marks a significant milestone in the restoration of the American progressive tradition. Nonetheless Obama and the Democratic Party have their work cut out for them. Gallup, for example, reported a steady movement to the right in the electorate from 2008 to 2009: the belief that government regulation of business is excessive grew from 38 percent in September 2008 to 45 percent in September 2009; the share of voters saying gun laws should be less strict or no tougher than they are now grew from 49 to 55 percent from October 2008 to October 2009; from June 2008 to July 2009, the percent favoring a decrease in immigration rose from 39 to 50 percent; the share of the population convinced that the global warming problem is "exaggerated" rose from 35 in March 2008 to 41 percent in March 2009.

In addition, an opportunistic Republican Party will abandon conservative principle to troll for new voters—even prepared, this past winter, to pose as the defender of Medicare. There is abundant precedent for the GOP to discard its fiscal conservatism. Not only did the party, in 2003, push through

the Medicare prescription drug program, at an annual cost of \$62 billion, but Republicans are the major defender of such multi-billion dollar government beneficiaries as defense contractors, farmers, veterans, and the energy industry, among others. What the fight over Medicare suggests is that the Republican Party may seek to reverse roles in order to be perceived as the protector of Social Security.

It's entirely possible that, if the deficit forces continued zero-sum calculations, the definition of the center-right coalition of "haves" will be expanded beyond its original boundaries, stretching past the wealthy, the managerial and business class, the gun owners, the anti-taxers, the home schoolers, the property rights-ers, the Western ranchers, Christian evangelicals, and the self-employed to begin to include members of what conservative operative Grover Norquist called the "takings" coalition—men or women who get federal benefits. A Republican Party hungry for victory would welcome as new members Social Security and Medicare recipients—"takers" who simultaneously consider themselves part of the universe of "haves" and of Norquist's "leave us alone coalition."

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While there is no doubt that the increase in the number of racial and ethnic minority voters works to the advantage of the liberal coalition, white voters remain a wild card. In 2008, whites made up 74 percent of the electorate, and McCain carried them 55-43. There are precedents for much higher Republican margins: in 1972, Nixon carried 67 percent of the white vote, and in 1984 Reagan won 64 percent. Conversely, Bill Clinton only lost the white vote by one percentage point to George H. W. Bush in 1992. The one clear conclusion to draw from these figures is that if the GOP is unwilling to make major policy shifts, especially on immigration reform, a crucial issue to many Hispanics, the party will have to drive its margins among white voters back up to the Nixon-Reagan levels.

The 2008 election demonstrated that the country is moving into a period of post-racial politics—but that does not mean an end to racial, ethnic, or sex-based partisan schisms. In the past, a combustible mix of prejudice, race, and gender identity drove a politics of sociocultural polarization. The divisions of the future are increasingly likely to be driven by similar fissures, as well as by stratification dependent upon socioeconomic status, ideology, and self-concept as a "have" or "have-not." These divisions will continue to splinter the United States along familiar lines of race, ethnicity, and gender, but such divisions will result from the different ideological inclinations of whites, non-whites, men, women, the married and the unmarried. The sources of conflict may shift, but many of the traditional lines of demarcation will remain.

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While both the "have" and "have-not" coalitions have been growing, with the middle waning, the devastating effects of the Great Recession, the inexorable enlargement of the minority electorate, and the legions of single voters now give greater momentum to the left and to the Democratic Party.

The problem facing the Democratic Party and the Obama administration lies in maintaining the fragile alliance between their constituents: those looking to the government for resources and protection; millions of ideologically moderate working-class whites upon whom the party continues to depend;

and college-educated professionals, many with advanced degrees, who represent the Democrats' newfound strength among "knowledge workers." These Democrats are relatively well-off and socially liberal. They are not bread-and-butter voters, but ideological voters, seeking a government that defends post-materialist rights and values, especially women's rights, civil rights, and sexual freedom. Many are anti-war. These are the Democratic "haves."

The party suffered throughout the past four decades from inevitable coalitional conflicts that produced Republican victories with the votes of the Silent Majority (1972), Reagan Democrats (1980 and 1984), Angry White Men (1994), and Security Moms (2002 and 2004).

Odds for 2010 favor continued, if smaller, Democratic Congressional majorities, but the Democratic coalition still faces dangers. Blighted economic performance threatens to pit key party constituencies against each other. Moderate whites are demonstrating growing anxiety over record deficits. With unemployment seemingly entrenched, pressure from the "have-not" wing of the party for additional spending on extended unemployment benefits, COBRA subsidies, federal jobs programs, Social Security, "quality affordable health care for every American," and other government benefits, will only intensify.

As of this spring, Obama has momentum, and he is likely to get another boost with the passage of financial reform, the prospects for which are steadily improving. The long-term viability of his electoral majority will depend heavily, however, on his success or failure in negotiating his way through the ravaged economy without debilitating numbers of voters defecting to the GOP. Obama has taken major risks. He could go down in flames; he could blend into history in the manner of Fillmore, Arthur, and Harding; or he could effect—as promised—the long-awaited transformation of American politics.

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