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In second term, Obama will govern a nation worried about economy, anxious about safety

By: David Lightman - January 21, 2013

As President Barack Obama prepares to begin his second term, he will govern a nation where people feel insecure about their economic futures, worried about their personal safety and concerned that international threats are spiraling out of the United States' control.

They're also angry at and disappointed with their government, viewing Washington as impeding rather than promoting progress in easing the host of crises it confronts.

While Obama won a second term with a popular vote majority, sizable numbers of people remain skeptical about his ability to get things done. They are even more wary of a Congress consumed by partisan animus that handcuffs its ability to agree on even the most routine matters.

The national mood is unlikely to get a boost anytime soon. Americans have been roiled by the economy for more than five years. Their paychecks, if they have one at all, still strain to reach let alone exceed pre-recession levels. The value of their homes still hasn't recovered. Their retirement funds are shaky, and their children face enormous college debt and are overqualified for the jobs they've managed to get.

Fewer than four out of 10 Americans think the economy will improve over the next year, while the proportion who think the economy will get worse has tripled, according to the Pew Research Center. Fewer than one in three are satisfied with the way things are going, Gallup found, well below historic averages.

Part of the unease is rooted in the recovery's stubborn sluggishness. Part results from Washington's inability to act.

"Washington may be convulsed with concern about the budget, but the public is far more concerned about jobs," said Bruce Stokes, director of global economic attitudes at the Pew Research Center.

The numbers suggest the potential for a comeback of confidence. Jobless rates in 43 states were better in November than a year earlier, and there's evidence the housing market is picking up.

What's holding people back are two forces: Government and fear for one's personal security. The Consumer Confidence Index dropped sharply in December, and the key reason was uncertainty about how Washington would deal with the fiscal cliff, according to Lynn Franco, director of economic indicators at the Conference Board, which supervises the survey.

Even though Washington inched off the cliff at the last minute, the public understands the government is running out of cures. The Federal Reserve Board has taken unprecedented steps to keep interest rates at historic lows. Bush-era tax rates will endure for all but the wealthy. Deficit spending, long a safety net during tough economic times, persists.

Those remedies, though, also can have ugly long-term consequences. Clearly, "America is overcommitted," said David Boaz, executive vice president of the libertarian Cato Institute.

The first challenge for government is to simply rewrite its own rules. People want civility and compromise and are somewhat willing to make sacrifices for the greater good. Proposals such as curbing Medicare benefits for the wealthy or implementing new cost-of-living formulas for federal benefits are calculated to have widespread bipartisan support.

Getting to a point where serious compromise can even be considered, though, will be rough. While jokes about government ineptitude are as old as the George Washington administration, people do want some sense that in the end, the system can work. Instead, spectacles such as the New Year's Day fiscal cliff showdowns or 2011's tortured talks over the debt ceiling are regarded as the new normal.

"The root of this goes partially to the circumstances of the bitter partisanship that has dominated our politics," said Sen. Jeff Merkley, D-Ore., who is leading an effort to streamline Senate procedures, "but it also goes to the fact that as the social contract unraveled . . . you had rules that worked well in the past that do not work well now."

This absence of confidence is hardly confined to the economy. People want protection, from threats both domestic and foreign.

Gun control has long been one of the nation's most polarizing issues, and so far most support for reinstating the assault weapons ban or taking tougher measures has come from longtime advocates.

"You would think it would be common sense to support some of these measures, but I'm still not sure a lot of members of Congress get it," said former Rep. Connie Morella, a moderate Republican.

Nor are Americans perceiving less of a threat from rogue nations or terrorists. "Iran and Islamic extremism are things that keep Americans awake at night," said Stokes, after reviewing the polling, "and both of those threats are beyond Washington's complete control."

And so 2013 begins with at least an overlay of concern in America. Taxes are up, thanks to the end of the Social Security payroll tax cut. The 2010 health care law creeps closer to full implementation; next year, nearly everyone will have to obtain coverage or pay a fine. Federal deficits aren't coming down significantly anytime soon.

Add to that the normal trajectory of second-term presidencies, which tend to lose momentum quickly, and the mood of the country today is tentative at best.

"We have an administration of great ambition, and they probably won't be able to do what they want," said Boaz. "They may just run out of steam."