



Voters to Washington in 2012:

“What’s the Plan?”

An analysis of the 2012 Presidential elections



THE WINSTON
GROUP

(Note: This analysis is based on a combination of the media Exit Poll and a New Models Post-Election survey conducted election night of 1,000 people who said they had voted.)

Open Door for Republicans

In 2012, the door couldn't have been more wide open for Governor Romney and Republicans to win a significant victory.

The context for this election was a tough one for President Obama. He had had more months of 8% unemployment in his four years than the previous 11 administrations combined. The unemployment rate going into the election was 7.9%, a half a percent higher than Reagan's 7.4%, the highest rate a sitting President has had and gotten re-elected (statistic started to be kept in January 1948). Economic growth had been 2% or lower for each quarter of this year, well below George H. W. Bush's 4.2%-4.5% growth in 1992, when Democrats coined the phrase "It's the economy, stupid," and decisively beat Bush. The public, according to the exit polls, was dissatisfied with the economy. Some 23% thought the condition of the economy was excellent/good, while 77% thought it was not so good or poor. As a result, the economy was the overwhelming top issue at 59%, with health care a very distant second at 18% (and there were only four options). Overall the attitude of the country was negative, with 46% thinking the country was generally going in the right direction and 52% thinking the country was seriously off on the wrong track.



On top of that, the electorate did not have a positive view of President Obama's signature achievement -- the health care bill. Some 44% of voters thought it should be either left as is or expanded, but 49% wanted some or all of the bill repealed. Additionally, the attitude about the role of government had shifted. In 2008 by a 51-43 margin the country thought the government should do more to solve problems, as opposed to the idea that government was doing too many things better left to businesses and individuals. In 2012, that had flipped to 43-51.

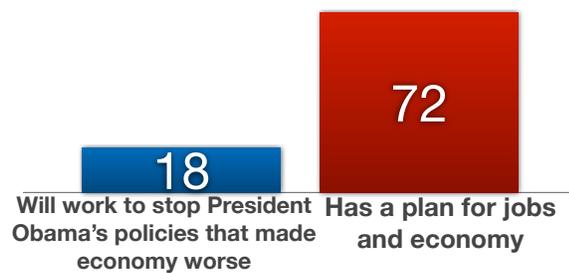
Therefore, going into the election, voters had a poor perception of the economy, were not happy with the President's keynote accomplishment, and had moved from a plurality supporting increased government activity to a plurality opposing it. All of this resulted in the electorate having a negative view of the direction of the country. This was a perfect opportunity to regain the White House and the Senate.

Referendum versus Choice

Many in Republican campaign circles prior to and during the presidential primary process believed with certainty that the candidate who won would handily defeat President Obama because of how bad things were. This attitude developed into a belief among some Republicans that this election was going to be purely a referendum on the president.

However, the general electorate was in a very different place. First, people believed this election would have serious consequences. Earlier in the year in a New Models survey, 85% of voters said they believed the statement, “If we don’t make the right choices, the economic downturn may last for many years, and would lead to a decline in the quality of life.” That result was similar across race, gender, age, ideology, and party. Additionally, when voters were asked whether they would be more likely to vote for a candidate who would stop President Obama or one who had his own plan for the economy and jobs, they preferred the one with a plan by 72-18.

More likely to vote for candidate that...



But after winning the primary, Governor Romney’s campaign decided to focus on making this a referendum on President Obama’s record. In contrast, the Obama campaign made the election a choice between the two candidates and their plans for the future. President Obama defined Romney in terms that would allow for a favorable contrast, particularly on economic policies, and in the end, the choice became moving forward with the economic policies of the present (Obama’s) or going back to the failed economic policies of the past (Romney’s/Bush’s). Because Governor Romney focused on Obama’s negative record at the expense of defining himself, the Romney campaign never engaged in the needed economic debate that would have given voters a clear understanding of his economic vision for the country, why it would work, and how it differed from both Obama and Bush.

In the New Models post-election survey, voters said they ultimately saw the election as a choice rather than a referendum by 77-22.

In thinking about how you voted in the presidential election, which statement comes closer to how you decided how to vote?	
Your decision was based only on President Obama’s record	22
President Obama’s record played a very significant role in your decision, but it was also about the choice of directions for the country that Mitt Romney and President Obama offered.	77

As a result of this mix of strategies, by early August President Obama began to open up close to a 10-point lead.

Better off than you were four years ago

At the Republican Convention, the focus became “Are you better off than you were four years ago?” This was an unfortunate emphasis, as it was the only positive economic contrast that could have been generated for President Obama. While the economic situation was difficult in 2012, four years earlier the country was losing 400,000 to 800,000 jobs for eight consecutive months, and people remembered.

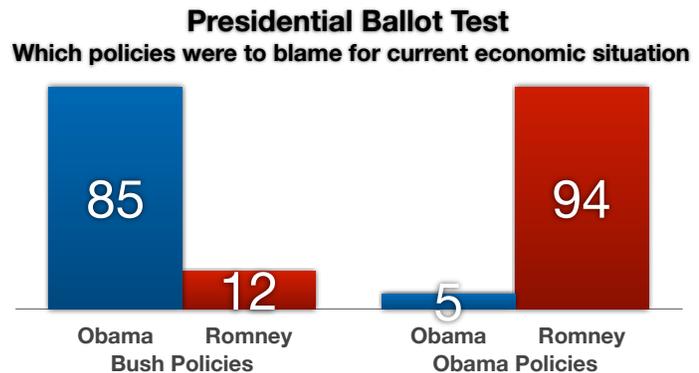


In the New Models post-election survey, we asked how people viewed the economy, and a key group emerged: those voters who thought the economy was doing better, but that the rate of progress was unacceptable.

This was a significant swing group, and Obama won them 53-43. The other two responses represented the views of the two bases with each generating support of 97% for one candidate or the other.

According to the exit polls, at a personal level, 33% said they were worse off as compared to four years ago, while 66% said things were either better or had remained the same. So twice as many voters disagreed with the Republican assertion than agreed with it. The largest group were those who thought things had stayed about the same (41%). Among those voters, Obama won by the wide margin of 58-40.

Republicans, by focusing on the economic situation of four years earlier, put the Bush economic policies again in the spotlight, as they had been earlier in the summer through the efforts of the Obama campaign. This transitioned the fall campaign back into a debate on the economic policies of the present versus the economic policies of the past. According to exit polls, the electorate blamed George Bush for the current economic problems over Obama by 53-38. Those voters who blamed Bush voted for Obama by 85-12. Among those who blamed Obama, Romney won 94-5.



By the end of August, according to the exit polls, among those who said they had made up their their minds, Obama led by a 7 point margin.

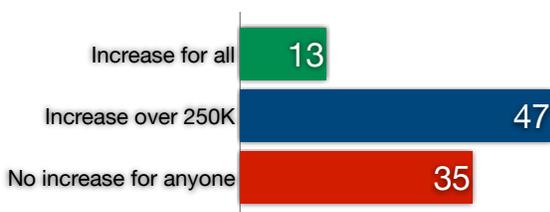
The Economic Argument

Despite the president's poor economic record, when voters were asked who could better handle the economy, Romney won by only a single point, 49-48. That means that Romney's plan was viewed as being about the same as the president's record. Those who said the economy was their top issue voted for Romney by just the slight margin of 51-47. In contrast in 2010, among voters who said the economy was the top issue (63% of the electorate), House Republicans won by the margin of 54-43. Despite the large opening in 2012, Romney was unable to win the issue of the economy at the scale he needed to. It was the top issue by a very wide margin across all groups, including women, Hispanics, and younger voters. Why this occurred is the central question of this election.

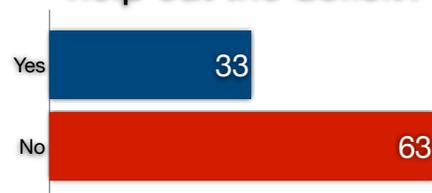
The inability of Romney and some Republicans to effectively win the economic debate was central to many losses. Among those voters who said in the exit polls that the condition of the economy was "not so good," President Obama won by a large 55-42 margin. These voters made up 45% of the electorate. Likewise, to repeat again, when asked if they were better off than four years ago, those voters in the exit polls who said their family's financial condition was "about the same" (41% of the electorate), voted for President Obama by the large margin of 18 (58-40).

An example of where there were opportunities was on the issue of taxes. One explanation, offered by some, for Obama's success in the economic debate, as seen in the exit poll, was the question of extending the Bush tax cuts. 47% of the electorate agreed with Obama's "balanced approach" that the tax cuts should stay in place except for those making over \$250,000 as opposed to 35% supporting Romney's calling for all the tax cuts to remain in place. This also got at the broader issue of the policies of the present (Obama) versus policies of past (Bush).

Should Income Tax Rates...



Should taxes be raised to help cut the deficit?



Romney had a potentially sound economic argument for keeping all the tax cuts. Specifically, that in the 4 years after these cuts went into effect in 2003, federal revenues increased by about 800 billion dollars. However, there was another question in the exit poll that showed that an argument could be made for

dealing with the budget deficit without increasing taxes. 63% of the electorate said that taxes should not be raised to help cut the deficit, which was clearly more in line with Romney's position.

When looking at the underlying economic principles of the two parties there were additional opportunities for Republicans. In the New Models post-election survey, we asked voters whether they believed the basic arguments the two parties were making in terms of what would generate economic growth.

Do you believe or not believe the following statement?	% Believe
Increasing government spending will generate economic growth	33
Cutting taxes will generate economic growth	61

By a significant margin, voters believed the Republican policy of cutting taxes would generate economic growth. However, Republicans were unable to differentiate their proposal from the economic policies of the past, and as result, despite the clear policy preference, voters' confidence in which party could best handle the issue of the economy was virtually even (49-48 R-D), the same results found in the exit polls between Romney and Obama.

This outcome goes back to the economic argument being made. In the context of whether people saw themselves as better off given where they were four years ago, 57% of the electorate believed that President Obama had made progress on improving the economy. But in looking at other questions, they clearly were not satisfied with where the economy was or the specific policies Obama was proposing. However, the election had become purely a referendum on whether any progress had been made. In that context, and with an unclear alternative, voters gave the President's economic argument the benefit of the doubt.

Was it Demographics/Turnout or the Economy?

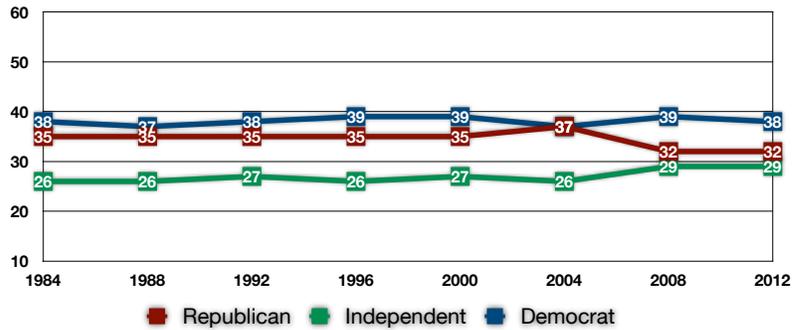
The focus on election night and in the month since has been on turnout. One of the big questions for the election was whether the electorate would look more like 2004 or 2008 in terms of party identification and minority and younger voter participation. While ultimately, the turnout was closer to 2008, many of the likely voter screens that both public and private polling operations used screened out minority and younger voters, making their composition within the electorate look more like 2004.

Party Identification

Starting with presidential level party ID, in 2004 it was evenly split, and in 2008 it favored Democrats by 7. In this election it favored Democrats by 6.

Looking at party ID over time, the Democratic composition of the electorate has been remarkably consistent for the last eight elections, ranging from 37% to 39% of the electorate. Republicans slipped in 2008 to 32% and duplicated that in 2012.

Party ID 1984-2012 - National

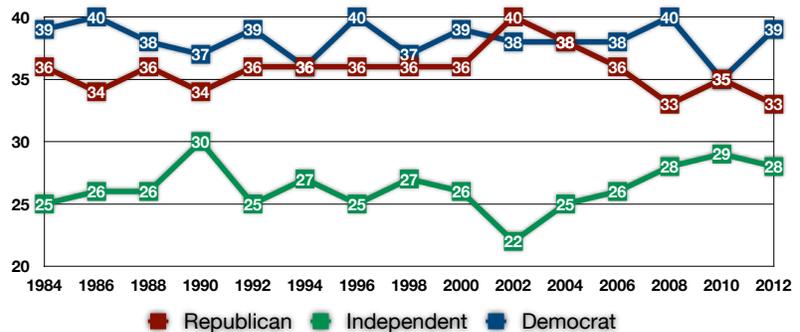


For Republicans, this is a troubling outcome. There appears to have been a change, with some Republicans having moved to become Independents. This is more clearly seen when looking at the exit poll Congressional level data so off-year elections can be included. Starting in 2002 there has been a consistent

decline in the percentage of people identifying themselves as Republicans. From 2002 through 2008 the drop was about 7%, and in contrast Independents increased by 6%. In 2010 there was a slight improvement, but that proved temporary as the 2012 turnout returned to 2008 levels.

As a result of this shift, Independents are going to behave slightly more like Republicans, as they are more conservative than they were eight years ago. In 2004, 23% of Independents said they were conservative. That rose to 31% in 2012. So, for Republicans, simply winning a majority of Independents may be not enough, as this election showed. As long as

Party ID 1984-2012 - Congressional



the Republicans who left in the later part of the decade remain Independents, Republicans will likely have to win Independents by 5% or more to be competitive nationally.

Minority and Younger Voter Turnout

The other key element in the 2012 turnout was the increase in 18-29 year olds and Hispanics, and the sustained higher turnout for African Americans that duplicated the 2008 turnout. These changes in turnout had significant electoral implications. Hispanics made up 9% of the electorate in 2008 but increased to 10% in 2012. Young voters 18-29 rose from 18% to 19% of the electorate. African American turnout remained high at 13%, and women also remained at 53%. The white vote slipped from 74% of the electorate in 2008 to 72%.

Romney won the white vote by 20 points, 59-39. That was an improvement over George W. Bush in 2004, who won them by 17. But in that election the white vote made up 77% of the electorate.

The Republican Demographic Challenge

There were three key groups that were problematic for Romney: women, younger voters, and Hispanics.

Women made up the majority of the electorate (53%) and Romney lost them by 11, 44-55. That was slightly better than McCain, who lost by 13, 43-56, but worse than Bush, who lost them by the slim margin of 48-51. In contrast, House Republicans in 2010 carried women by 1, 49-48.

Younger voters increased their turnout again this year. In 2004 they were 17% of the electorate; in 2008 they were 18%, and in this election they were 19%. Romney lost them by 23 points, 37-60, which was an improvement over McCain, who lost them by 34. However, Bush did much better in 2004, losing young voters only by 9.

Hispanics have also increased as a percentage of the electorate, going from 8% in 2004 to 9% in 2008, and 10% in this election. Romney lost them by the very large margin of 44, 27-71. In 2008, McCain lost Hispanics by 36, 31-67. In contrast, Bush lost Hispanics by just 9, 44-53. Additionally, House Republicans in 2010 did much better than either Romney or McCain, losing Hispanics by 22, 38-60.

Still About the Economy

In looking at 18-29 year olds, Hispanics, and women, their top issue was clearly the economy. No other issue was even close. This is where Romney's broader problem of not winning this issue by a wider margin is clearly seen.

Women

Among women, 58% said the economy was their top issue. Among those, Romney lost 47-52. In contrast, among men who said the economy was their top issue, Romney won 56-41. The gender difference was larger among economic voters (a 20-point margin) than among the electorate as a whole (an 18-point margin). As for the argument that Republicans were waging a war on women, only 36% of women believed that (according to the New Models post-election survey).

Women did not view the nation's economic condition favorably. Some 23% thought it was excellent/good, while 76% said it was not so good/poor. But by a 57-34 margin, they blamed Bush's policies over Obama's. As a result, among those who said the economic condition was "not so good," Obama won by a 60-38 margin. Yet in the exit poll, those voters had contradictory attitudes about the issue of taxes. In terms of the Bush tax cuts, 50% said they should be extended except for those making over \$250,000. Another 12% said they should not be extended at all. But when asked if taxes should be raised to help cut the budget deficit, 30% said yes, while 62% said no.

In the New Models post-election survey, the opportunity for a Republican economic argument that resonates with women is more clearly seen. Only 34% believed that increasing government spending would increase

economic growth, while 58% said cutting taxes would. Despite that, in the exit poll, women had more confidence in Obama to handle the economy (52-45).

Hispanics

Among Hispanics, 60% said the the economy was their top issue, with no other issue even being close. Among those voters, Romney lost 31-69.

Like women, Hispanics did not view the economic condition of the country positively, with 30% saying excellent/good and 69% saying not so good/poor. By a 69-24 margin they blamed Bush's policies over Obama's. Again, those that said "not so good" (69%) voted for Obama 60-39. This group also had contradictory views in terms of taxes. Some 45% said the Bush tax cuts should be extended except for those making over \$250,000. Another 16% said they should not be extended at all. But when asked if taxes should be raised to help cut the budget deficit, just 32% said yes, while 63% said no.

In the New Models research 43% of Hispanics believed the statement that increasing government spending would generate economic growth, while 55% did not. In contrast, 65% of Hispanics believed that cutting taxes would generate economic growth. But when it came to who they thought would better handle the economy, in the exit poll, they chose Obama over Romney by a 2-to-1 margin (65-32).

18-29 Year Olds

Some 54% of 18-29 year olds said the economy was their top issue, and like other groups, no other issue came close. Among those voters, Romney lost 37-61.

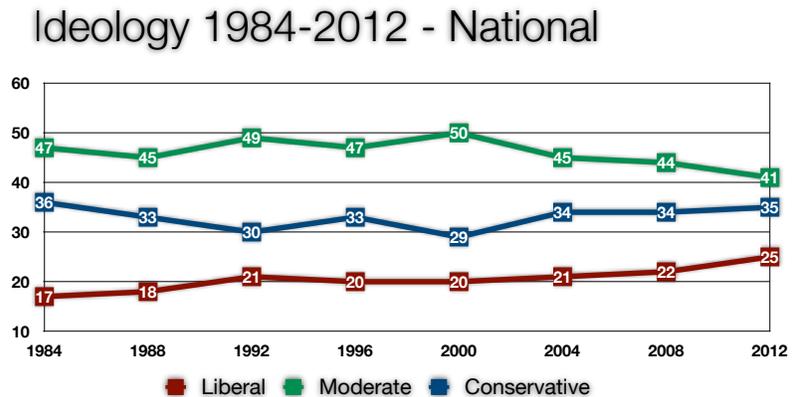
Only 23% of younger voters viewed the economic condition of the country as excellent/good, while 73% viewed it as not so good/poor. By the widest margin of any of the age groups, younger voters blamed Bush over Obama for the current economic problems (65-27). So not surprisingly, those younger voters who said the economic condition of the country was "not so good," which represented half of this cohort, voted for Obama 61-36. Like women and Hispanics, younger voters had contradictory views on taxes. Half (50%) wanted to extend the Bush tax cuts to everyone except those making over \$250,000. Another 15% didn't want any of the Bush tax cuts extended at all. In contrast, 55% said that taxes should not be raised to help cut the deficit, while 39% thought they should.

The New Models research showed that this group is evenly split in terms of economic policies. Some 49% believed that increasing government spending would increase economic growth, while 45% did not. In contrast, 51% believed cutting taxes would increase economic growth, while 49% did not. However, they were not evenly split when it came to who they thought would handle the economy better. By the widest margin of all the age groups, they preferred Obama over Romney 56-42.

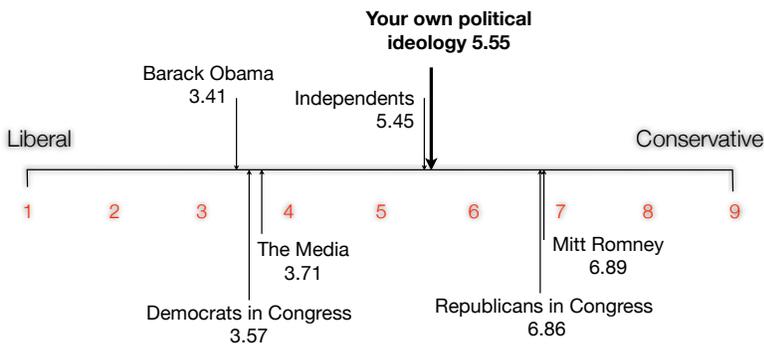
Country Moves to the Center - But is Still Center-Right

In this election there was a slight shift toward the center from 2008. Since 2004, the percentage of the electorate that is conservative has remained stable, but some moderates have moved to identify as liberal (+3) and there was a one-point gain for conservatives.

The basic structure, however, still remains: moderates are the largest group, with conservatives still outnumbering liberals by a double-digit margin. However, for liberals this is their high-water mark since 1984. Conservatives are close behind, with this election being a significant improvement from 2000, although the candidate results were less so. The only group that has lost ground is moderates. Since 2000 they have decreased by 20%.



Ideological Spectrum - 2012



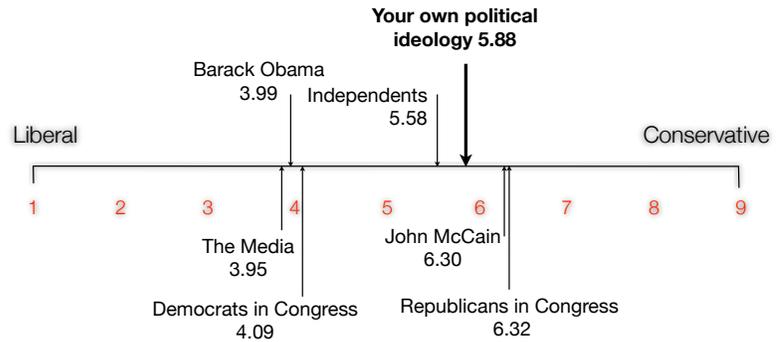
We saw a slight shift toward the center in the New Models post-election survey, but we also saw the perceptions of the candidates and the respective parties in Congress viewed as more ideological. We asked on a scale of 1 to 9, with 1 being very liberal, 5 being moderate, and 9 being very conservative, where voters placed themselves, the candidates, the Congress, and the media. Voters in total placed themselves as center-right, as did

independents. But, they saw the candidates at significant distances from themselves. While Obama was viewed as being farther away from the average voter than Romney in terms of ideology, he was able to overcome that, which is a reflection of the non-viability of the referendum strategy and Romney not having won the economic argument.

Throughout the campaign, Republicans and conservatives argued that the media is biased, and the post-election survey shows that the public does perceive a center-left orientation.

From 2008 the electorate moved slightly toward the center. In 2008 voters identified themselves at a 5.88 on the 1 to 9 scale, while in 2012 they said 5.55. The other result is the public has seen both parties and candidates become even more ideological than in 2008.

Ideological Spectrum - 2008



In 2008, they viewed Republicans in Congress at 6.32; in 2012 they viewed them farther to the right at

6.86. Voters placed Democrats in Congress at 4.09 in 2008, but viewed them as farther to the left at 3.57 in 2012. Obama was also seen as having moved farther to the left as he went from 3.99 in 2008 to 3.41 in 2012.

Conclusion

Despite an electorate that thought the economy was not doing well under Obama, Romney and many Republicans were unable to effectively win the economic argument. This was the case even though many of the policies Romney supported were viewed favorably by the electorate. But the bottom line was that Romney could not counter the Obama narrative that he wanted to go back to the policies that got the country in trouble in the first place. This was largely due to his campaign's strategic decision to try to make the election solely a referendum on Obama.

As a result, there was little clear rationale for a Romney presidency, other than that he would not be Obama. That was not enough to win, as the electorate was looking for solutions and an explanation of how each candidate would govern. But to simply blame Romney would not be correct. Many other Republican candidates also lost in races they were expected to win, and at the Senate level, some actually did worse than Romney. For example, in North Dakota, a Senate race that Republicans were expected to win, Berg trailed Romney by 9%. In Montana, another Senate race that Republicans should have won, Rehberg trailed Romney by 10%. In neither of these states did minorities play a significant role the way they did nationally, and younger voters decreased as a percentage of the electorate in Montana, going from 22% in 2008 to 15% in 2012. In exit polls in Montana, 1 out of 8 voters voted for Romney and Tester.

Some have pointed to the tactical turnout operations as the reason for the Republican loss. Yet Romney got more votes than McCain got, and actually got 97.6% of the Bush 2004 vote. Meanwhile, Obama achieved 93.5% of what he got in 2008. While there are still some additional votes to be added, at this point, Obama got about 4.5 million fewer votes this year than in 2008. Those voters did not vote for Obama this time, but they did not move to Romney either. They were a huge pool of voters that were obviously unhappy with

Obama but did not have a reason to vote for his opponent. The inability to identify and reach these disillusioned voters was a significant problem for the Republican campaign.

Much of the discussion after the election has been about the advances Democrats have made in behavioral modeling and application to targeting and turnout efforts. It is clear that Democrats have moved well beyond where Republicans are, not from the application of technology, but in terms of a much more advanced knowledge base. This is obviously an area in which the party needs to get up to speed and quickly, but it is not the key reason why Republicans lost.

Additionally, there has been significant focus on the demographic composition of the electorate and the challenges that presents to Republicans. But in order to attract these voters, the Republican Party, needs to connect to their values and aspirations through policies that address problems. These voters were looking for solutions to the economy, typically a Republican strength as shown in the 2010 election. That is why, for example, Republicans won women in 2010 instead of losing them by 11%, got 38% of the Hispanic vote in 2010 instead of 27% in this election, and closed the gap among 18-29 year olds to 13% as opposed to 23% in 2012.

What Republican campaigns need to develop is the ability to win issues and prove their candidates are ready to govern. David Cameron in his effort to modernize the Conservative Party redefined its purpose as not to win elections but to prove the party is ready to govern. The implication is that once you have proven you are ready to govern, you will win elections.

At a broader level, Republicans have to become the party of economic growth again, and effectively engage in developing and advocating policies that reflect that. This is essential if Republicans hope to grow as a party.

Methodology:

New Models Survey-conducted election night of 1,000 voters said they who voted.

Media exit polls conducted among 26,565 voters.