



## 2012: Good Strategy, Poor Terrain

Victory depends on strategy and the terrain. That's what Chinese philosopher Sun Tzu said in The Art of War, written in the sixth century BC.

What's true in war is also true in politics. President Obama is preparing to battle for a second term. Right now, his strategy is working. But the terrain for 2012 looks treacherous.



President Obama's strategy comes right out of the Bill Clinton playbook: triangulation. By grabbing the center, Obama is pushing congressional Republicans out of the mainstream. At the same time, the political terrain is getting more and more difficult for Obama. And not just on the economy.

The distinction becomes clear in this month's *Washington Post*/ABC News poll. Consider this contrast: 55% of Americans disapprove of the way President Obama is handling both the economy and the federal budget deficit. The public isn't sure either situation is improving. Poor terrain.

At the same time, when the poll asked people whom they trust to do a better job handling the economy and the deficit, President Obama comes out ahead of

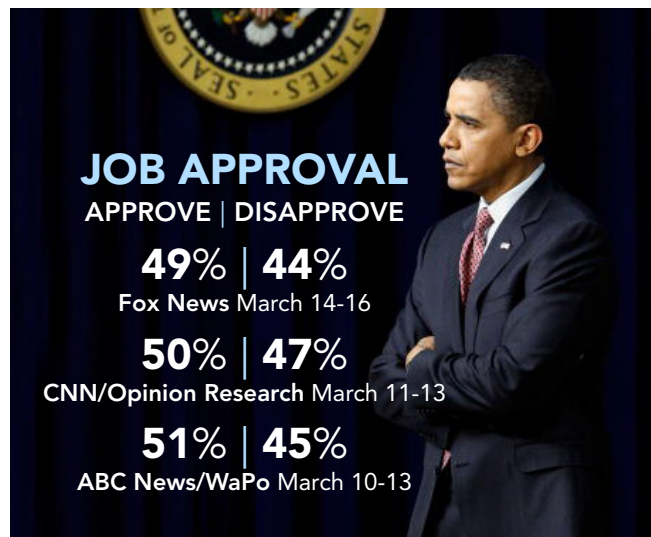
congressional Republicans (46% to 34% on the economy, 45% to 36% on the deficit). Trust in Republicans on both issues has been declining. Especially among Independents. In January, according to the poll, 42% of Independents said they trusted Republicans more on the economy. Now only 29% do.

Obama's strategy is to go for the center and let the Republicans look extreme and uncompromising. He praises the lame-duck session of Congress last December that passed an extension of the Bush tax cuts and unemployment compensation, ratified the new START treaty and ended *Don't Ask, Don't Tell* in the military. Republicans grumble about being forced to compromise and pledge not to do it again.

The Republican-controlled House of Representatives has passed two stopgap extensions of the budget to keep the government funded. They swear they won't do it again. "It is time to pick a fight," Rep. Mike Pence (R-IN) told *The New York Times*.

Picking a fight is exactly what President Obama is not doing. He has been going out of his way, in speech after speech, to express confidence in the ability of Democrats and Republicans to work together. "I am proud of the commitment by Democrats and Republicans in Congress to fix *No Child Left Behind*" (Arlington, VA, March 14). "I'm proud that Democrats and Republicans joined forces in

December to cut taxes for every American” (Miami, FL, March 4). He told the National Governors Association that shared sacrifice is “something that Democrats and Republicans should be able to agree on” (Washington, DC, February 28).



The payoff? 71% of Americans say Republicans have not been willing enough to compromise with the President on the budget deficit. 52% believe President Obama has not been willing enough to compromise. If the federal government is shut down, the public says Republicans in Congress will be more to blame than Obama, 45% to 31%.

President Obama is positioning himself well for re-election. But it's still a tough terrain. Confidence in the economic recovery is still weak. 53% of Americans say the recovery has not begun. Early last year, people saw hope for a recovery, but those hopes were quickly dashed. Democrats paid the price at the polls in November. It could happen again.

The main reason: gas prices. 71% say rising gas prices have caused financial hardship for their household. Close to half (44%) say gas prices have caused “serious hardship.” Gas prices are set by the world market, and

there is not much the U.S. government can do to control them. Particularly in the face of destabilizing crises in the Middle East and Japan. But voters nevertheless demand that the federal government “do something” (release strategic petroleum reserves, crack down on oil company profits, impose price controls).

There's one more big boulder obstructing the terrain for 2012—Afghanistan. Gen. David Patraeus told the Senate Armed Services Committee, “It's very important to stay engaged in a region in which we have such vital interests.” Not according to the American public. Nearly two thirds of Americans say the war in Afghanistan is not worth fighting. That level of opposition—over two to one (64% to 31%)—is just as high as it was in Iraq. Nearly three quarters of Americans (73%) want the U.S. to withdraw “a substantial number of U.S. combat forces” from Afghanistan this summer, as President Obama has promised. Meanwhile, field commanders are asking for more troops.

All in all, good strategy. Poor terrain. What's the bottom line?

A President needs at least a 50% job approval rating to feel confident about re-election. Where is Obama right now? 50% in the CNN poll. 51% in the *Post*/ABC poll. Right on the line. ■

## The Union Factor

The battle of Wisconsin has rallied union voters all over the country. Will that pay off for President Obama's re-election in 2012?

Voters from households with a union member voted 59% for Obama in '08, according to exit polls. Exactly the same 59% went for John Kerry in '04 and Al Gore in '00. But the share of the vote cast by union voters dropped from 26% in '00 to 24% in '04 and 21% in '08.

Democrats have to worry about the nine battleground states that Obama carried in '08 after Kerry lost them in '04.

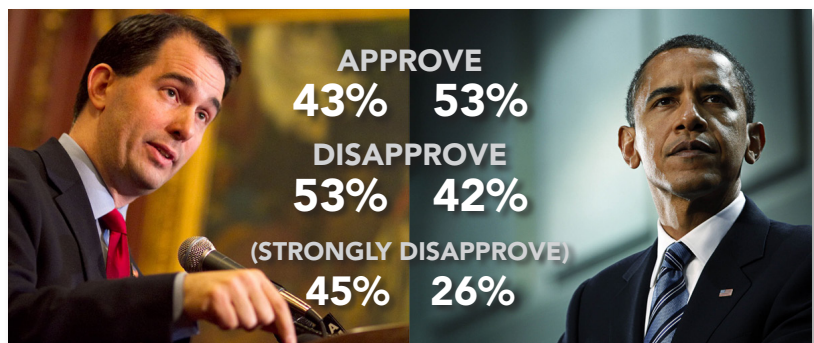
In 2010, according to the Bureau of Labor Statistics, 11.9% of the U.S. workforce was unionized. Only two of the battleground states, Nevada and Ohio, are more unionized than the rest of the country. The other seven battleground states have relatively few union members. A heavy union voter turnout is not likely to be enough to ensure that those states stay with Obama.



## The Battle of Wisconsin (and Ohio)

Who won the Battle of Wisconsin? Republicans did if you look at the outcome. But Republicans lost if you look at the polls.

Among Wisconsin voters, Republican Gov. Scott Walker took a direct hit. Unfavorable opinion of the governor jumped from 35% in November, just after he was elected, to 53% in March. In polling by the Wisconsin Policy Research Institute, Walker's job approval is the mirror image of President Obama's in the state.



Source: Wisconsin Policy Research Institute.

Nearly half the state strongly disapproves of Walker's job performance.

A similar battle with public employee unions is brewing in other states. Like Ohio, where things also don't look good for newly elected Republican Gov. John Kasich. In the dispute between Kasich and the state's public employee unions, Ohio voters side with the unions (57%) over Kasich (36%), according to Public Policy Polling.

Asked how they would vote if the November election for governor were held over again now, former Democratic Gov. Ted Strickland would beat Kasich 55% to 40%.

# AN ITEMIZED FEDERAL TAX RECEIPT

Generated by the Third Way Federal Tax Receipt Calculator

FILING STATUS: **Married, two children** | HOUSEHOLD INCOME: **\$69,800** (median)

FEDERAL TAX LIABILITY: **\$6,993\***

Social Security	20.4%	\$1,430.03
Defense	20.2%	\$1,410.59
Medicare	13.1%	\$913.80
Low-income assistance	9.3%	\$649.29
Medicaid	7.9%	\$551.90
Net interest payments	6.6%	\$462.46
Unemployment compensation	4.7%	\$328.07
Veterans Affairs	3.1%	\$219.06
Education	2.9%	\$202.55
Law enforcement and homeland security	2.4%	\$167.95
Transportation	2.3%	\$157.54
Health (not Medicare and Medicaid)	2.0%	\$137.00
Management of federal employees and buildings	1.4%	\$97.08
Environmental protection and natural resources	1.0%	\$69.27
Space and science	0.7%	\$51.85
Agriculture	0.7%	\$51.33
Housing and community planning	0.6%	\$45.25
Social services	0.6%	\$40.62
Foreign aid	0.6%	\$39.60
Workplace safety and rights	0.5%	\$31.49
Diplomacy and embassies	0.4%	\$30.21
Internal Revenue Service (IRS)	0.4%	\$28.36
Energy	0.4%	\$27.36
Statistics and weather	0.3%	\$24.05
Telecommunications	0.3%	\$19.27
Trade and economic development	0.3%	\$18.92
Native Americans	0.2%	\$16.48
Congress	0.2%	\$11.81
Post Office	0.1%	\$9.75
Arts and culture	0.1%	\$5.12
District of Columbia	0.0%	\$2.45
White House	0.0%	\$1.03
Bailouts, currency & financial regulation	-3.7%	-\$258.54

The national debt (as of 1/1/11):	\$14,025,215,218,709
Each American's share of the debt:	\$48,382
Change in your share of the debt in 2010:	+\$5,768

Create your own tax receipt at [www.thirdway.org/taxreceipt](http://www.thirdway.org/taxreceipt)

\* Federal tax liability (income + FICA) example calculated by the Tax Policy Center (<http://calculator.taxpolicycenter.org/>).

Negative amounts come from offsetting receipts, which contribute to the budget rather than being a taxpayer liability. For more information, read our methodology and FAQ at [www.thirdway.org/taxreceipt](http://www.thirdway.org/taxreceipt). Illustration by Bill Rapp.