



2020 POST-ELECTION MEMORANDUM

DATE: November 2020
FROM: Mike Lux

After All These Years, It's Still the Economy, Stupid

It used to be that Democrats ran campaigns focused like a laser beam on economic issues, like Bill Clinton's famous "it's the economy, stupid" campaign (where I was a staffer). We were after all the party which lifted our country out of the Great Depression. We passed the minimum wage and the GI Bill, and we helped labor unions organize, creating the greatest and most prosperous middle class the world has ever seen. We created Social Security, Medicare, Medicaid, the Child Health Insurance Program, and other measures to build a safety net for seniors and the poorest among us, at the same time moving more money into the Main Street economy. We invested in education -- K-12, public universities, student loan programs, and community colleges -- giving upcoming generations the opportunity to succeed. We were the party that brought our country out of not only the Great Depression, but the recession of the late 1950s, the recession of the early 1990s, and the Great Recession and financial collapse of 2008-9. The most prosperous decades in American history, the 1960s and 1990s, were both presided over by Democrats, and President Obama not only kept our economy from total collapse, his administration built the most durable period of sustained job growth we have ever had in this country.

In spite of this track record, and in spite of the fact that the economy is consistently the number one issue for most voters, Democrats usually don't talk nearly enough about economic policy. There are a variety of reasons why: other issues are sexier; sometimes wealthy, big donors, especially those from certain industries, don't like to hear about progressive economic policy ideas; and powerful single-issue groups have a lot of sway in the party. But in 2016 and 2020, Trump created a lot of compelling craziness and we spent way too much time reacting to it.

I believe that for Democrats to win a governing majority -- in 2022, but also longer term -- we need to focus as a party more on the economic issues that unite the base and working-class swing voters, who outnumber upper-income swing voters by a lot. In this paper, I will make that case based on a set of critically important numbers from the 2012, 2016, and 2020 presidential elections in battleground states in the Rust Belt.

The Democratic Deficit in Working-Class Counties

As Democrats debate their future, one bit of conventional wisdom needs to be seriously rethought. This notion that big city voters are Democrats, rural voters are Republicans, and the big city suburbs are where all the swing voters live is severely deficient in describing our current political landscape. While there are certain obvious truths in it -- like most conventional wisdom, it has enough truth in it to make people believe it -- it doesn't explain one of the most important trends in the American electorate in this moment of our political history.

A researcher named Richard Martin has done some important work in terms of identifying a trend in voting in the Rust Belt battleground states (IA, WI, MI, OH, PA) over the last three presidential elections that illuminates a central factor in the rise of Trumpism. Instead of just looking at the conventional urban, suburban, and rural categories, he went deeper into different kinds of counties in these states.

SUMMARY: Presidential Election Results by County Type, 2012-2020

County Type	# Counties Biden Won	# Counties Biden Lost	# Counties Where Dem Margins Rose	# Counties Where Dem Margins Shrank	Blue means Dems won; Red means GOP won. + or (-) = Dem net vote		
					Net Vote: Dem/Rep 2012	Net Vote: Dem/Rep 2016	Net Vote: Dem/Rep 2020
College	8	0	6	2	+ 281,246	+ 302,977	+ 382,604
Metro/Big City	10	0	7	3	+ 1,631,562	+ 1,496,549	+ 1,708,489
Suburbs	6	9	11	4	- 18,577	+ 52,731	+ 238,345
Mid-Size Mfg	16	34	29	21	+ 197,012	- 470,736	- 418,594
Small Mfg	7	234	27	214	- 676,186	- 1,613,431	- 1,799,529
Rural	4	81	17	68	- 189,429	- 439,989	- 470,170

Note that the big city margin has not, contrary to what many people think, been expanding election by election. It actually dropped by almost 170,000 votes from 2012 to 2016 (partly because of weaker turnout from young African Americans and Bernie voters, partly because of defections to third party candidates) before bouncing back to a small gain (about 77,000 votes) in 2020, helped by the biggest turnout in modern American history. We would have registered and turned out more big city voters if we had done more door knocking, but given the stunningly high numbers that did turn out -- sparked by the passion for beating Trump -- it will be challenging to build those big city margins higher in the future.

We picked up about 70,000 in the suburban margin between 2012 and 2016, and picked up another 186,000 this time around, a combined total of 256,000, a very solid increase. We gained some votes in counties with reasonably big colleges and universities, with our margin increasing by a little over 100,000 between 2012 and 2016.

As everyone knows, we lost a lot of ground in rural counties. Democrats never win overall in rural America, but our margins haven't been this bad in a long time. We went from losing rural counties in these five states by about 189,000 votes in 2012 to getting crushed in 2016, losing them by almost 440,000, a 251,000 worsening of the margin. In 2020, in spite of Biden's small-town roots, the margin increased by 30,000 votes, for a total loss of 281,000.

Given our increases in the suburbs and college towns, we should have been fine, as those increases outweighed the worsening margins in rural America. Even if you add in the worse numbers in big cities in the 2016 election, we still come out a little ahead of the Obama margin in those five states, and in 2020, a lot more ahead of his margin. If all of America was the conventional formulation, we should have been winning these battleground states by more solid margins in both 2016 and 2020.

Where we got far more hammered compared to Obama was in two kinds of counties Martin identified as mid-sized and small manufacturing/blue collar counties, where these county economies had a higher amount of manufacturing compared to the national economy. (Think Toledo or Flint or Dubuque.) In the mid-size manufacturing counties, our margin went from winning them by almost 200,000 in 2012 to losing them by over 470,000 in 2016, a stunning decline of 670,000 votes. We clawed our way back a little in 2020, gaining nearly 52,000 votes on the 2016 margin, but we were still off the 2012 margin by 618,000.

In the "small" manufacturing counties, where the population in the biggest towns is less than 35,000, the losses were even worse. In 2012, we lost by about 676,000 votes;

1,613,000 votes in 2016; and 1.8 million in 2020. So the 2020 margin when you combine the small and mid-sized manufacturing counties was a combined loss of over 2.4 million, which dwarfs the much more highly discussed losses in rural counties. More importantly, it completely overwhelms the combined gains in the suburbs and college towns of about 426,000, explaining why Hillary lost those five states in 2016 and why Scranton Joe barely won three of them in 2020.

Again, these numbers come from just five states -- the numbers would certainly be much, much worse if you looked at them nationwide. But the five states Martin studied are some of the most important battleground states in presidential, Senate, and gubernatorial races. This goes a long way in explaining both our shocking loss in 2016 and our far closer than expected win this time around.

There are always a lot of reasons for presidential and other statewide elections being won and lost, and for sure more research and analysis needs to be done about this cycle, but Democrats need to understand that a very large share of the difference between Obama's relatively solid 2012 victory, where we won every swing state by a respectable margin, the Trump victory in 2016, and that frighteningly close Biden victory (and disappointing results in House and Senate races) in 2020 lies in the small and mid-sized manufacturing counties that turned so decisively against the Democratic Party.

We can't count on big cities and their suburbs to save us. The Democratic Party needs a strategy for bringing back some of the working-class voters in small and mid-sized towns we have lost in droves in the last eight years. The first thing we need to do is ask why we are losing so many of these voters.

What is going on in those mid-sized and small manufacturing counties?

As I wrote above, many factors influence election wins and losses, as well as changes in voting patterns. Much more in-depth research, polling/focus groups, and voter file analysis needs to be done before we can get a good grasp on the reasons why these counties and voters are turning against the Democratic Party. Even once that kind of research and analysis is done, people will no doubt interpret the data very differently. Also true is that many of the factors worth examining are intertwined and not easy to untangle.

Having said all that, enough polling and other kinds of research have been done over the last four years to give us some clues:

1. **Race.** There is not an iota of doubt that Trump knew how to use racism to manipulate voters more skillfully than any president or presidential candidate in the modern era, and I would argue, in all of American history. He was even adept enough to switch midstream, using fear of immigrants as the point of the spear the first time around, and then switching to fomenting fear of African-Americans in response to the police brutality protests in the summer of 2020. We shouldn't dismiss the power of Trump's dog whistle (and worse) rhetoric to distract voters, incite their fears, and motivate a lot of people who had never voted before to vote for him.

Some people believe that Trump's skillful use of racism was the main or even only reason we lost so many working-class voters, but I don't think the evidence available to us supports that proposition. For one thing, an African-American man with a Muslim name who was the son of an immigrant won the mid-sized manufacturing counties in Martin's study by almost 224,000 votes in 2012 and considerably more than that in 2008. For another, Republicans since Nixon have been using dog whistle rhetoric quite effectively for more than 50 years. Yes, Trump took it to a new level, but if that was the only factor here, we would have seen this kind of manufacturing county collapse far earlier. One example: Ottumwa, Iowa is a classic mid-sized manufacturing town. In the 1980s, all through the welfare queen and Willie Horton rhetoric of Reagan and Bush, it was the most Democratic town in the state. It went for Obama twice. In 2016 and 2020, it was carried by Trump.

No doubt racism is a big factor, but it is also undoubtedly intertwined with other economic factors. How much easier is it to use dog whistle racism to manipulate voters when the factories they used to work in have gone overseas and their wages have been driven down?

Another important issue related to these counties is that, contrary to conventional wisdom, they are not all White. To note one really important example: Genesee County, which includes Flint, MI, is a classic mid-sized manufacturing county, and it is heavily Black and Latino. Many smaller counties with factory jobs have meat-packing plants whose workers are heavily Latino. Of the 374 counties Martin analyzed, 43 were at least 10% or more people of color. In many of these counties with a large share of the population being people of color, part of the problem in the margin change was that Democrats did not focus enough resources on getting out that vote.

2. **The decline of the industrial labor movement.** Trump's economically populist messaging -- being against NAFTA and the WTO, railing against "global elites," promising to spend a trillion dollars on infrastructure, etc. -- drew higher numbers of

union voters in 2016 than a Republican candidate had won since the 1980s. Despite this, many unions had effective messaging programs that influenced solid majorities of their members to vote for the Democrats, and in 2020 Biden did even better with union members. The far bigger problem with working-class voters is the broad and deep decline of union membership. Most political observers know the numbers: 35% of the American workforce was union in the 1950s, whereas today that percentage is less than 12%. The 12% number masks the fact that a large percentage of those union members are public employees: teachers, cops, firefighters, and other public sector jobs that are still heavily unionized. About 8-9% of manufacturing workers these days are union members.

Unions not only do great political communications and field organizing with their members; they build a culture of solidarity and community. Losing both the former and latter in terms of all those working-class voters is a heavy long-term drag on the Democratic Party's chances in working-class America.

3. Being looked down on. There are a number of psychological studies of working-class Americans who have voted for Trump who describe feelings of being looked down on by the elites in Washington, DC, and other big cities. In focus groups I have watched, working-class voters express intense anger and resentment at big city elites and liberals making fun of them, laughing at them, and criticizing their language, lifestyles, and religion.

Despite his wealthy New York City upbringing, Trump did a great job at using those resentments against us. Romney couldn't do that with his Wall Street elite pedigree, whereas Trump railed against Hillary Clinton for taking Goldman Sachs speaking fees. Trump was not just willing, but delighted to blow up conventions and flip the bird to the establishment in both parties, making it difficult to win those voters who don't feel like Democrats care about them. The constant refrain from Trump and the GOP about political correctness played into a perception that liberals feel morally and culturally superior to the "fly over" voters who don't live in big cities.

4. Government (including Democrats) hasn't been delivering the goods for working families. Working-class voters haven't seen the federal government doing very much for them in the last few decades. Politically active Democrats know that it has been challenging to get good things done because there have been only four years in the last 40 where we have controlled the House, Senate, and White House. But most voters don't know that.

What do they do know is that their wages haven't gone up much at all in years; some of them used to have good union rates at \$20 an hour, but now make \$10 at a job where they have no bargaining rights. They know that a lot of the factories where they and their folks used to work have shut down, sometimes on a moment's notice, sometimes with the company stealing the pension funds on their way out of town. They know that a lot of the small businesses they have always shopped at have closed, replaced by huge chain stores or online shopping. They know that pharmaceutical companies are gouging them on drug prices, and that they are paying a bigger and bigger share of their health insurance costs. They know that the big banks that have run their community banks out of business are charging new fees every time they turn around, and have no sympathy in terms of mortgage or student loan payments when they get laid off. And what they know most of all is that nobody in the government is doing anything about any of these things.

The increasing power of big corporations aided by politicians of both parties makes people cynical about government, and even more cynical about Democrats, the party they used to believe was the party of working people.

5. The concentration of prosperity in urban America. An important article in [The Atlantic](#) in 2018 discussed the fact that mid-sized cities, especially those away from the East and West Coasts, were not nearly as prosperous as they were a generation ago due to the power of monopolies in the modern economy. Brought down to the state level, the trends in economic growth tend to be concentrated in the urban areas. For example, in Iowa, the only counties in the state experiencing economic growth in the last decade -- a period where the national GNP was growing every year -- were Polk County, home to Des Moines, the state's biggest city; Dallas County, home to Des Moines' wealthiest suburbs; Johnson and Linn Counties, home to the second biggest city in the state, Cedar Rapids, and its suburbs, plus the University of Iowa; and Pottawattamie County, which is next door to Nebraska's biggest city, Omaha. All the old mid-size manufacturing towns that used to support thousands of decent union factory jobs, including Dubuque, Clinton, Davenport, Burlington, Keokuk, Ottumwa, Marshalltown, Newton, Ft Dodge, and Sioux City, had negative economic growth. And they all were counties that swung from Obama to Trump, twice.

5. Democrats don't tend to talk much about the economy. In 2016, Hillary Clinton's main message was what a bad guy Donald Trump was. She talked a little bit about the economy in the debates, but never ran many ads on economic issues. When Hillary did talk about the economy, she spent little time talking about how to improve people's lives, and too much time echoing President Obama in bragging about how well the economy recovered under his administration. Meanwhile voters in those mid-size and smaller

manufacturing counties and rural America were still reeling from the 2008 financial crisis.

Biden's top message in the 2020 campaign was that he was a decent, empathetic guy. His second message was that Trump had done a terrible job on COVID, and that Biden would solve the problem by listening to the science. His third strongest message was health care, especially keeping coverage for pre-existing conditions. He talked a little about the economy, but it was never the main topic of his ads or speeches. And, very importantly: the campaign never pushed back on Trump's constant refrain of how great the economy was before COVID hit. This mantra, repeated over and over again at every campaign stop and in every ad, painted a very stilted picture on how good the economy was for most working families, but because it was never contradicted, polling showed that it became the view of a majority of voters. More people trusted Trump on the economy than Biden, and that narrowed the margin of our victory, hurting us considerably among working-class voters.

The irony is that the Biden campaign put forward the strongest, clearest, boldest set of economic proposals of any Democrat in decades. His Build Back Better agenda was a powerful answer to Trump's throw-money-at-the-rich economic track record. But the Biden team did not talk about the Build Back Better agenda nearly enough. The combination of not hearing much about the economy from the Biden team and hearing Trump talk all the time about his "greatest economy ever" led to Democrats coming all too close to losing to Trump because of the economy.

Caveats

Before concluding with my suggested solutions, I want to make clear there are some caveats to the data here.

First of all, as I said, there is still a lot we don't know. We need to take a much closer look at 2020 voter file data, much of which we just don't have yet, and to a lesser extent 2020 census data, to know more about the margins in these different kinds of counties. We don't yet know how much of the difference in the 2020 margin was due to people switching their votes, or to Democrats not turning out, or to new Republicans being registered and turning out to vote, or to Democrats moving out of these counties because of weakening economic conditions. The Democratic Party hasn't yet done the kind of deep analytic dive needed into the attitudes of voters in these counties. What is 100% clear is that our party has an enormous problem in these counties. What is less clear is the range of factors causing this problem and what we should do about it.

Another caveat I want to mention here is that it's not like all is lost with working-class voters for the Democratic Party. In fact, because of the strong support Democrats got in 2020 from working- and middle-class people of color, young people, big city dwellers, unmarried women, and lower income people, Democrats won 57% of voters making under \$50,000 a year and 56% of those making under \$100,000. It isn't like we as a party are cratering with all working-class voters. Democrats still – as they have for almost a century – get more votes from the working and middle classes, and Republicans win among wealthier people.

The question, again, is margins compared to past elections. If, as Martin's research shows, working-class folks in the mid-sized and smaller manufacturing counties are voting for Democrats in much lower numbers than they used to, we have a big problem.

The First Take on Solutions

Clearly more research and analysis needs to be done before determining long term solutions, but here are some opening thoughts on how we begin to solve this problem, starting with the policy initiatives President Biden and the Democrats in Congress should be pursuing:

1. A focus on jobs and wages. Midwestern small and mid-sized counties with a heavy manufacturing sector have experienced significant economic stress over the last four decades. Trump played off that economic stress with his combination of racial resentment and faux populism.

The Biden administration and Democrats in general need to spend an enormous amount of time and effort on jobs, wages, and other economic issues. Particularly important early on will be an infrastructure bill that heavily uses minority and women-owned businesses as contractors; rebuilds crumbling roads, highways, and bridges; invests money in building and rebuilding public schools; finally, after all these years, brings universal broadband to small towns and rural America; makes a massive push in creating jobs in wind and solar; and helps the labor movement not only by creating jobs, but by making sure government contractors aren't fighting union organizing. Raising the minimum wage to a living wage, \$15 an hour, would increase wages for workers several levels up as well.

Most importantly, strengthening unions would improve most workers' lives whether they are in a union or not. History has proven that a strong labor movement lifts the wages and benefits, and improves the working conditions for most workers.

2. Break up corporate concentration. Monopolies and near monopolies in industry after industry are creating massive corporate conglomerates, whose overwhelming market share and political power are:

- destroying the ability of Main Street small businesses to compete
- stunting the entrepreneurialism of up and coming young people, including young women and people of color who frequently lack access to capital
- making it difficult for workers to get fairly treated or organized by unions
- concentrating jobs in only a few big urban areas, and
- gobbling up the lion's share of government contracts.

If the Department of Justice Antitrust Division were far more aggressive in breaking up monopoly power; if the government patent office were reformed so that it was granting fewer patents to the biggest companies; and if other government agencies focused on contracting with and otherwise assisting small businesses, it would make a huge difference.

3. Reviving American manufacturing. During the 2020 campaign, Joe Biden unveiled a major new initiative to revive manufacturing in America. It included a strong Buy America component, money for R&D, and other initiatives for rebuilding this vital sector. These policies should all be enacted sooner rather than later.

We also need to take a serious look at trade policy. The days of huge multinational corporations -- especially those in the financial, pharmaceutical, and tech sector -- driving our country's trade negotiations need to be over. Trade unions, environmental, and consumer groups need to be the drivers of trade deals, the goal of which should be to lift up working families' wages and bargaining leverage in all countries, rather than driving down costs for corporations out-sourcing jobs.

In general, America needs to create a 21st century version of what every other developed nation has had for decades: an industrial policy that truly promotes new industries and re-develops old sectors that will once again make America's middle class prosperous and expanding rather than stretched and shrinking.

Turning to political solutions, here are two more big ideas that the Democratic Party, in combination with the broader progressive movement, needs to be taking on:

4. Penetrating the right-wing media bubble. The right-wing movement has helped the Republican cause immensely over the past three decades by building a well-integrated, multimedia echo chamber, constantly reinforcing messaging that much of working-class America relies on as part of its daily life. National cable TV with Fox News and now One America News Network and NewsMax, Sinclair with its expansive local TV news network, Rush Limbaugh and his growing herd of talk radio imitators, and the wide array of ever-evolving Facebook pages and other social media sites devoted to right-wing causes: all of these various kinds of media outlets drive a steady drumbeat of right-wing propaganda and outrageous lies and conspiracy theories that overlap and constantly reinforce each other.

Democrats and progressives need to stop thinking we can break through this far-right media bubble because we run some TV ads the last few months of each election cycle. We need to invest in an infrastructure of social media and traditional media to build our own network of Facebook and Instagram pages, Twitter and Tiktok influencers, progressive talk radio and cable TV hosts, and even small-town radio and newspaper outlets. Even if we can't get more Democrats to buy small-town newspapers and radio stations, we could have a far more systematic way of getting their owners content they might be willing to use.

We also need to build a more organized team of Democratic activists willing to share political content on their social media accounts in the mid-sized and small counties we are talking about here. Voters trust content that their friends pass along to them; the right-wing media infrastructure has been brilliant at building a network of millions of people willing to pass along the memes and videos from right-wing sites.

We aren't starting from scratch. Progressive social media sites and influencers like Occupy Democrats and The Other 98% have millions of followers, and there are progressive Twitter influencers with hundreds of thousands of followers. We as a party and movement are fully capable of building the kind of network of people and influencers who could drive strategic progressive content out to tens of millions of people every single day if only we invested the money in sustaining this critical infrastructure.

5. Creating a welcoming culture in the Democratic Party and progressive movement. Most difficult to achieve of all the recommendations listed here, but essential if we want to make serious, sustained progress on winning some of the voters

in working-class mid-sized and small counties, is that we need to create a culture shift in the party and progressive world where working-class people not from a big urban area feel welcome. Joe Biden was the first Democratic presidential candidate since Bill Clinton to have a clear cultural connection to small and mid-sized town folk. Very few people in Democratic leadership on Capitol Hill, or among Democratic spokespeople on TV, demonstrate this kind of ability.

Worse than that is the sense of elitism that many Democrats speak with when referring to people in “flyover country.” There was a reason that Hillary Clinton’s “deplorables” comment hit home so hard and has been used as a rallying cry for Republicans ever since, and there’s a reason that the single most used phrase by Republican candidates for president in 2016 (not just Trump) was “politically correct.”

Joe Biden being our president for at least the next four years is a good start in terms of this cultural perception, but the party needs to do far more. We need more spokespeople who sound like they are from small-town America. We need more Democrats talking about issues and symbols that matter to small and mid-sized towns and to working-class Americans.

Again, we can (and must) do this while still being diverse in who we put out to represent us and what we talk about in our speeches and interviews. Of all of Joe Biden’s appointees so far, Interior Secretary nominee Deb Haaland, who has lived most of her life in Indian Country, and Michael Regan, who grew up in Goldsboro, NC, may best represent small-town America.

Conclusion

Democrats might be able to squeeze a few more votes out of urban America in future elections, even though Donald Trump motivated Democrats to turn out in huge record numbers in 2018 and 2020. We might in future elections be able to get a few more votes out of the relatively well off and well educated suburbs surrounding big cities, even though Donald Trump was profoundly repulsive to many of these voters. But if we as a party are trying to build a long-term governing majority, these votes don’t seem like something we should count on.

The path to adding to the majority in the Senate and House in 2022 lies directly through the heart of working-class America. To win in 2022, Democrats need to:

- Tell a clear and compelling story about who they are and who they are fighting for, and remind people that the Republicans are fighting everything we are working to do.
- Focus like a laser beam on an economic agenda that helps working families of all races, ages, and regions: raising wages, creating good new jobs especially in rebuilding our infrastructure and in the wind and solar industries, strengthening unions, expanding health coverage and cutting health care costs, and stopping Wall Street and Big Tech from crushing small businesses and cheating workers and consumers.
- Invest in social media and on the ground organizing so that we can pierce the media bubble that right wingers have built up in non-urban America.

Democrats over the last century have achieved their greatest successes as the party of working people. The party of FDR and Truman, the Kennedys and LBJ, Bill Clinton and Obama built multi-racial and heavily working-class coalitions that used economic issues to motivate and persuade working people to vote for them because those Democrats seemed like they were on the side of working families.

The Martin study was about the last three presidential elections. However, the results of this year's down-ballot races also clearly show that Democrats, and progressives aligned with them on a common agenda, must immediately tackle this critical work to bring in non-urban, working-class voters. This effort matters deeply to the entire party.

Even if we could win only by appealing to voters in the big urban areas, that is not the formula for bringing our country together or building long-term prosperity in our nation. Our party needs to once again show whose side we are on. We must appeal to working families across racial lines and across geographic lines, because we can't afford to become only the party of urban America.