

Cozen Currents: Are Democrats Overplaying Their Hand?

The Cozen Lens

- For all the focus on the culture wars in the midterms this year, politicians in close races are spending most of their time focused on the economy, likely making it the decisive electoral factor.
- Democrats are playing with democratic fire as they have sought to boost their chances in the general election by supporting MAGA GOP candidates in the primaries.
- President Biden talks a big game about being “the most pro-union president in history,” but converting that rhetoric into reality isn’t simple.

Dissecting the Electoral Politics of the Economy

How Short is Voters’ Memory? Throughout the election cycle, voters have told pollsters the top issue is inflation, but there are some signs that its salience may be weakening.

- Inflation remains the top issue for voters this fall, but as prices have stopped rising as quickly on most items, its predominance has declined. Meanwhile, abortion and healthcare have taken on greater importance since the Supreme Court’s Dobbs decision.
- Accompanying this declining focus on inflation has been a rise in consumer confidence as well as signs that people are changing their habits to cope with the higher prices. Sentiment remains low compared to historical levels, but its continued rise over the last three months reflects both an adjustment to and acceptance of the new “normal.”
- The decline in gas prices, which peaked above \$5 per gallon this summer and are now below \$3.70 on average, is seen as being one of the biggest reasons for this changing mood. This was one of only a handful of declining metrics though in the most recent inflation data, with food, electric, and housing costs all still rising.

Choose Your Own Economy. The White House hosted a celebration for the passage of the Inflation Reduction Act this past Wednesday, the same day that the latest Consumer Price Index report showed that inflation was stubbornly persistent, resulting in the Republicans decrying Democrats as being “tone deaf.”

- President Biden and congressional Democrats are hailing the declining gas prices and rising consumer confidence as proof that they are doing an adequate job of managing the economy. They view their most important achievement as the recent passage of the Inflation Reduction Act and see the improving metrics as proof of that.
- Republicans, on the other hand, are continuing to hammer away on how bad the overall inflation picture still is and how food and housing prices continue to rise. With inflation still being a top issue, this will remain the primary GOP focus throughout the fall, particularly if some key numbers keep climbing or stagnate.

Which Story Wins? As different as the stories politicians on opposite sides of the aisle are spinning about the economy, the end goal is to persuade voters to share their view, which is more complex than just focusing on the latest inflation numbers.



Howard Schweitzer

CEO, Cozen
O’Connor
Public
Strategies

hschweitzer@cozen.com
Phone: (202) 912-4855
Fax: (202) 640-5932

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- In battleground states, politicians are tending to focus their message more on the state of the economy than culture war issues that often energize party bases. As much as election analyses point to the impact of issues like the Supreme Court's Dobbs decision, control of Congress, especially the Senate, rests upon which party makes a more compelling case about the economy.
- Two trends suggest that the Democrats' messaging is gaining some traction: (1) the rise in consumer confidence; and (2) President Biden's improving, albeit still subpar, approval rating. Both are inversely correlated with the fall in gas prices.
- Voters rarely give credit to politicians for legislative achievements. If anything, there is more often a backlash. For Democrats, focusing too much on the Inflation Reduction Act could require more complex messaging. They struggled with this when trying to garner support for Biden's original Build Back Better plan and ended up with most voters fixating on the package's cost, rather than several of the measures it contained which were largely popular on an individual basis.
- The state of the local economy could also affect which party's message gains more traction. As national as congressional races have become, the economy can still vary widely among states and metropolitan areas. The current inflation crisis is no different as the impact has been uneven geographically and demographically, which could mean that when a party finds a message working in one particular state or district, it is not sure to work elsewhere.

Democrats Love to Hate Trump

Democrats Supporting MAGA Candidates: Smart Politics or Bad for Democracy? Democrats have been the guardians of democracy against those President Biden calls "ultra-MAGA" and "semi-fascist." But in over a dozen primary races, Democrats boosted far-right GOP candidates in order to strengthen their hand in the general election.

- There's a long history of primary meddling. The Nixon reelection campaign meddled in the Democratic 1972 primary to knock off the moderate and establishment frontrunner Senator Ed Muskie in favor of the far-left Senator George McGovern.
- Primary meddling can backfire. When California Democrats successfully meddled in the 1966 gubernatorial primary to face the more conservative candidate in the general election, that Republican, Ronald Reagan, unleashed an entire movement. In 2016, Democrats were giddy at the prospect of a Trump candidacy, with Bill Clinton even encouraging him to run.
- Perceived extreme candidates who win primaries often do worse in general elections than perceived moderate candidates. Yet a rising tide lifts all boats in a polarized era. If Republicans have a good election night, extremist candidates can ride into office with the GOP tailwinds.

Primary Meddling: A Sign of Republican Weakness. Some Republicans are crying foul and hypocrisy to the "dirty tricks" of Democrats meddling in their primaries. But it's a weak Republican apparatus that's giving oxygen to such Democratic intervention.

- Throughout the year, Republicans were more likely than Democrats to say which party gains control of Congress "really matters." Yet, Republicans value "electability" less than Democrats.
- Weak candidate recruitment fosters greater meddling. Last week, Democrats meddled in the New Hampshire Republican Senate primary in which Don Bolduc won the nomination. It wasn't Democrats, however, who most helped Bolduc but rather Governor Chris Sununu (R) who declined to run for the Senate in the first place.
- "Establishment" Republicans are funneling money to anonymous super PACs to avoid their preferred candidates being labeled as establishment-supported. Even Donald Trump is worried about being "out-Trumped" on his right by someone like Governor Ron DeSantis (R-FL), as he leans into more dangerous conspiracy and anti-vax theories.

Trumpism Remains and Expands. Biden ran for president in 2020 primarily to beat Trump and end Trumpism. Yet today he and Democrats are keeping the man and the movement alive for political benefit.

- Biden can't live with Trumpism and can't live without it. He has an approval rating in the low

40s with fellow Democratic voters not wanting him to run again. Yet Trump energizes the Democratic base like no other as Biden continues to beat Trump in head-to-head polling matchups.

- Democrats are trying to MAGA-fy everything. In his controversial Philadelphia speech this month, Biden tied "MAGA forces" to moving "this country backwards" on abortion, contraception, and marriage. Yet, Trump and MAGA aren't the driving forces of religious and judicial conservatism.
- While the national Democratic and Biden's focus is on MAGA, that isn't what battleground Democrats are focusing on. Rep. Elissa Slotkin (D-MI), who represents the median House district in Congress, is focusing her campaign on the economy and the cost of living. The same goes for Senator Catherine Cortez Masto (D-NV), whose race could determine control of the Senate.

Biden's Labor Agenda: Rhetoric Versus Reality

Biden Team's Rhetoric. Twenty-one months into his term, the Biden administration's public stance on labor is undimmed.

- Biden marked Labor Day with an event in Wisconsin during which he championed organized labor. In May, the Biden administration took the symbolic action of inviting labor organizers, including those from high-profile unionization campaigns at Starbucks and Amazon, to the White House to meet with Vice President Harris, Labor Secretary Marty Walsh, and Biden himself.
- In a recent interview with the *Nation*, Harris reaffirmed the administration's position and suggested that she also has strong credibility with the labor movement. The vice president noted that she has a long history with organized labor, and growing up in California, she said that she hadn't eaten grapes until her 20s out of support for farmworkers. "I do believe that this is the beginning of the next era of the labor movement," Harris said.

Where Biden is Facing Challenges. Translating rhetoric into reality isn't always easy, and Biden's labor agenda is no exception.

- It's challenging to be a pro-union president at a time of high inflation. A rail strike narrowly averted last week would have not only been economically costly, but also politically damaging for Democrats, forcing Biden to balance his pro-labor priorities with the need to minimize the economic impact. The day before a potential strike could have taken effect, Biden announced that a tentative agreement on contract terms had been reached. The *Washington Post* reported that this breakthrough came after Biden and Walsh personally got involved in talks.
- While Walsh may be an effective hands-on negotiator, the Labor Department (DOL) has been slow to enact new labor-friendly rules under his leadership. The *New Republic* this month reported that Walsh "isn't particularly interested in creating an agenda, because the nuts and bolts of policymaking simply don't interest him." The article listed a number of ambitious rules that DOL has said it intends to pursue, including the wage threshold for overtime and protections for miners, in addition to the gig economy. None have had proposed rules released yet.

Where Biden is Making Progress. Though Biden's labor agenda has been stalled in some areas, the White House has had some success and is poised for more.

- Biden's appointees on the National Labor Relations Board (NLRB) have taken notable labor-friendly actions this month. In early September, the NLRB released a notice of proposed rulemaking to reverse a Trump-era rule on joint employers, which would lower the threshold to classify joint employers by taking into account whether employers have direct and/or indirect control over employees. In the *Tesla, Inc.* case, the NLRB reversed a 2019 decision and ruled that employers cannot impose restrictions on the wearing of union-related insignia.
- Last week, Jessica Looman, the president's nominee to be administrator of the DOL's Wage and Hour Division, had her Senate confirmation hearing. A markup of her nomination is scheduled for this Wednesday. If confirmed, Looman would oversee enforcement of federal labor laws including the development of new rules such as DOL's planned rulemaking on worker misclassification, announced in June. Looman currently serves as the principal deputy

administrator of the division.
