

Civic Ventures

TO: Interested Parties
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RE: The Progressive Theory of Economic Growth: Raise Wages, Lower Costs

What Biden Remembered and Other Democrats Forgot: It's Still the Economy, Stupid

If Democrats want to do better with everyday Americans, they must relentlessly advance issues that materially and immediately improve the lives of everyday Americans.

OVERVIEW

The famous sign in the 1992 Clinton presidential campaign's war room read, "It's the economy, stupid... and don't forget health care." An equivalent sign in the Biden virtual war room would have read, "It's the soul of the nation, stupid... and don't forget the economy."

Unfortunately, Democrats elsewhere mostly forgot that kitchen table economics are central to winning—and that's why Democrats underperformed in so many states and districts. When you aren't running on kitchen table economics, it's easy for your opponents to distract voters with other issues or, worse, claim they are the one voters can trust to improve the economy.

The good news for Democrats (and the country) is that Raphael Warnock and Jon Ossoff did not make this mistake—they ran forcefully on the economy, and won. They have given Democrats a rare opportunity to prove they can be trusted to deliver material improvements in the average American's life.

Put another way: **Democrats were given a new lease on a trifecta because a few key campaigns ran on the economy. Now it's time for you to govern, and deliver, on the economy.**

WINNING THE NARRATIVE, SECURING OUR FUTURE

From his campaign kick-off speech in February 2019—"The major moral obligation of our time is to restore, rebuild and respect the backbone of America, the middle class"—to his November 7th, 2020 victory speech that began, "I sought this office to restore the soul of America. To rebuild the backbone of the nation, the middle class," Joe Biden kept a sharp focus on working people and the middle class. His campaign ads backed that up:

- “[His economic plan](#) ... raises wages by as much as \$15,000 a year. Joe Biden’s plans will help working families immediately by making the super-rich pay finally their fair share.”
- “[Good jobs](#), which would put money back in people’s pockets. The middle class is the foundation of a solid economy.”
- “[What would Joe Biden’s plan do for you?](#) Families with young children could get nearly \$7,000 for childcare. Buying your first home. You’ll get \$15,000 towards the down payment. If you get paid by the hour, your income could grow by as much as \$14,000. Older seniors: your yearly Social Security benefits could increase by \$1,300. The Biden plan: Wealthy and big corporations pay more. You benefit.”
- “[To give working people](#) the shot they deserve, an honest living for honest work. And a little peace of mind at the end of the day.”

A [tally](#) of issues in Biden campaign ads done in mid-October found the top issue, talked about in 37% of the ads, was taxes. That included his promise of a \$15,000 first-time homebuyers’ credit, middle-class tax cuts, and raising taxes on the wealthy. Social Security was in 31% of the ads, minimum wage in 22%, jobs in 18%, and prescription drug costs in 13%. All kitchen table issues.

By contrast, kitchen table economics, other than health care, were hard to find in ads by Democrats running for Senate: jobs 16%, Social Security 5%, taxes 16%, prescription drug prices 15%. And raising the minimum wage, featured in more than 20% of all Biden ads, was totally absent from the paid appeals by Democrats in Senate ads. Zip. Nada.

While this issue tally didn’t include ads by candidates for the House, our review of ads by Democratic incumbents in swing districts—most of whom lost—found only one kitchen table issue: prescription drug prices. A post-election [poll](#) of voters in 13 contested House districts found that a \$15 minimum wage was favored by a majority of voters, including 30% of Republicans, even after hearing a counter argument. *Eleven of those Democrats voted to increase the minimum wage to \$15 an hour, but not one of them told voters that in their TV ads.* And the two who voted against \$15 lost their elections.

Raphael Warnock and Jon Ossoff did **not** make the same mistake; just the opposite. Here’s how NBC News [reported](#) on their rally with Biden, held the day before voting ended:

Democrats in [Georgia's](#) high-stakes [runoff election](#) Tuesday are doing what their counterparts in other competitive Senate races didn't do: They're leaning in to a [populist](#)

economic message and embracing the prospect of a Democratic-led Senate... Their calibrated closing arguments centered on a pocketbook pitch to approve \$2,000 stimulus payments to Americans, a popular issue backed by Democrats and President Donald Trump but opposed by Senate Majority Leader Mitch McConnell, R-Ky... Ossoff and Warnock are both running aggressively on a promise for \$2,000 checks. At the rally, they sharpened the contrast by framing the race as a referendum on whether Congress passes a \$15 minimum wage, an infrastructure package and Covid-19 recovery spending they said Republicans will block if they can.

The Democrats' campaign ads carried the same message. From a Warnock [ad](#): "Fighting for affordable health care, fair wages, and the dignity of work... If you're looking for a billionaire, I'm not your guy." From an Ossoff [ad](#) attacking Purdue: "He fought against the stimulus checks and to cut unemployment insurance."

No wonder Mitch McConnell [told](#) Republicans that Kelly and Purdue were "getting hammered" on the stimulus checks.

What Biden, Warnock, and Ossoff all understand is that *kitchen table economics issues are not "left"*—they are at the center of Americans' politics, even if elites don't understand that. The minimum wage has been a partisan legislative issue for the past decade. But in Florida on November 3rd, a ballot initiative for a \$15 minimum wage garnered 723,022 more votes than Donald Trump. It was approved by 61%, with a margin of more than 2.2 million votes. Voters in red states including Missouri, Arkansas, and South Dakota that approved minimum wage increases at the ballot over the past six years didn't see the minimum wage as partisan. They knew that they or their neighbors needed more money to get by. And they understood that boosting the minimum wage meant more people spending money on Main Street, creating local jobs and helping their communities to thrive.

The minimum wage is just one of a host of issues that political elites see as partisan but everyday Americans see as common sense. Every one of these issues is also supported by a majority of Americans, including a sizable share of Republicans: guaranteed [paid sick days](#) and [paid family and medical leave](#); [government making childcare affordable](#); [tuition free public college](#); [forgiving a chunk of student loans](#); and [government negotiating prescription drug prices](#).

Not only is taxing the rich [very popular](#), but an overwhelming majority of voters, including a majority of Republicans, think it will spur economic growth. Arizona voters in this election approved increasing taxes on people with incomes over \$250,000 to increase funding for public education. At the same time, Colorado voters passed paid family leave, and Nebraska voters approved limits to predatory lending.

Kitchen table economics, including health care, are the only issues that build a bridge between the white working-class voters Democrats are losing and the Black and Latinx working-class voters—particularly men—who don't see Democrats delivering for them.

For the white working class, a toxic combination of race and economic decline has driven the appeal of Trump's right-wing populism. Reversing their economic decline would remove some of the poison. Democrats can only build the kind of decades-long majority created by the New Deal, escaping the narrow confines of today's partisan divide, by actually delivering for the white working-class voters who are struggling paycheck to paycheck. Democrats don't have to win over a majority of these voters. They *do* need to, and they absolutely *can*, win many more of these voters by championing and delivering on policies that lift their wages and lower their costs—that give them and their families financial security.

While both Black and Latinx voters are heavily Democratic, that doesn't mean they see Democrats as actually improving their lives. As Stan Greenberg [wrote](#) after the election, “In short, while Democrats championed Black lives as a racial issue, they fell far short in addressing how much Black Americans wanted to shake up a rigged political system to do more for working people and bring changes that can help their families, that they can feel in their pocketbook.” Enacting policies that raise wages and make housing, health care, child care, and education more affordable would change that profoundly.

Democrats and President Biden need to unambiguously articulate what they are fighting for—materially benefiting the majority of people. That means always centering kitchen table economics and creating a clear contrast between where Democrats and Republicans stand.

- **Politics is about conflict.** If you run from conflict, you allow your opponents to use conflict to define the battlefield. Democrats should pick fights on economic policies that materially benefit a majority of Americans, and then dare their opponents to oppose them. When Republicans say no, they are saying no to the majority of American families—including many of their voters. This is the way to turn their obstruction into a liability and kill them in the midterms.
- **Politics is about choice.** If Democrats do not give voters a clear choice about economics, voters won't know Democrats are on their side. In fact, they won't even know they have a choice. If Democrats don't offer a clear and compelling choice to voters, they'll assume Democrats are as bad as Republicans. Give them a clear choice between the Republicans' failed trickle-down way and Democrats' building back better of the middle-class.

- **Bold policies that raise wages and lower costs is the only way to do that.** Almost all Americans feel economically insecure—not just those with lower incomes. The COVID recession was a reminder that many families were just one or two paychecks from not being able to pay the rent or mortgage, or even put food on the table. But even those with more of a financial cushion worry about paying for college, taking time off to care for a newborn or sick parent, or retiring with any kind of security. Democratic policy proposals should deliver financial security to the majority of Americans.
- **Going big is easier than going small.** Don't be afraid to go big. Our opponents oppose small policy proposals as vociferously as big ones, while ambitious policy energizes and expands the base of who benefit.
- **Winning on growth and prosperity.** There's a reason that the COVID direct cash payments are called *stimulus* checks, not relief checks: putting money into people's pockets is the best way to create jobs, prosperity, and economic growth. Orthodox economics has it backwards: a thriving middle class isn't the consequence of growth; it is its primary cause and source. The more people we fully include in the economy as innovators, entrepreneurs, and as well-paid workers, the faster and more prosperous the economy grows. Democrats win on the economy when they consistently remind voters that the policies that help their families get ahead are the same policies that drive economic growth and build thriving communities.

Today's historic economic inequality created the conditions for Trump's right-wing populism, just as it is powering right-wing populism around the globe. As the last four years, and the gross spectacle of Republicans' gross obeisance to Trump's refusal to accept the outcome of the election remind us, our democracy cannot survive another four years of Trump, or whoever picks up his mantle.

President-elect Biden was spot on when his campaign victory speech linked restoring the soul of the nation to rebuilding the middle class. The only way to do the first is for President Biden and Democrats in Congress to relentlessly champion the second.