How the Biden White House Cornered Itself

*The president's polarizing policies are ones that divide
Democrats and the upper class from everyone else*

January 2024

Executive Summary

Commentators have expressed befuddlement at the widespread disapproval of President Joe Biden and his economic policies, given the American economy's strong performance on many traditional measures. While the White House spent much of the last year promoting "Bidenomics," Americans reacted negatively to the term. What is going on?

In November 2023, American Compass partnered with YouGov to survey 1,000 Americans about their views on ten economic policies pursued by the Biden administration—five of which are "broadly supported" (drug prices, infrastructure, semiconductors, competition, tariffs) and five of which are "polarizing" (climate, immigration, student loans, safety-net expansion, unconditional child tax credit).

Successful elected officials typically choose to "pick fights" on contested issues where the bulk of voters are on their side. President Biden has done the opposite, doubling down on a set of high-contrast issues where Independents are much closer to Republicans, and where strongest support comes from the (much smaller) upper class while strongest opposition comes from the (much larger) working class. This is a formula for political disaster.

- **Overall, the five broadly supported policies have an average net positive rating of 43% while the five polarizing policies have an average net positive rating of 14%.**

    - Investing in infrastructure (+54%) and reducing drug prices (+53%) are most popular, while allowing illegal immigrants to remain in the country (-14%) and forgiving student loans (+4%) are least popular.

    - On each broadly supported issue, net positive ratings among Democrats and Republicans differed by 35 percentage points or less; on each polarizing issue, ratings differed by at least 60 points.

- **On broadly supported policies, Independents are 9 percentage points closer to Republicans than to Democrats, but on polarizing policies they are 30 points closer to Republicans.**

    - On tariffs, infrastructure, and drug prices, voters across parties are generally positive and Independents are slightly closer to Democrats than to Republicans.

    - On immigration, climate, and student loans, Independents are neutral to negative and at least twice as far from Democrats as from Republicans.

- **While views by class are mostly similar for broadly supported policies, working-class Americans in particular are more negative on the polarizing policies.**

    - Average net positive ratings for broadly supported policies range by class from +38% to +51%; for polarizing policies, the average remains +30% for the upper class but falls to +1% for the working class.

    - The working class is only 50% larger than the upper class among Democrats, but five times larger among Independents and Republicans.

DEFINING THE ISSUE SPACE

This survey focused on a set of ten economic policies advanced by the Biden administration, five of which are "broadly supported" and five of which are "polarizing." Broadly supported policies are ones that, at least to some extent, reflect bipartisan priorities, have advanced with bipartisan support, and identifiably connect to policies that were pursued by the Trump administration or would likely be continued in a second Trump term. Polarizing policies, by contrast, are ones that reflect contested priorities, have relied on partisan passage and support, and likely frame stark choices in the 2024 election.

The distinction matters for two reasons: First, polarizing policies are the ones that frame a choice for voters and thus define a particular candidate or party. Second, a conflict-craving media invariably focuses on contested policy areas and thus elevates their political salience. Generally speaking, elected leaders "pick fights" on contested issues where the bulk of voters, especially Independents, are on their side—ideally, the issue is even contested within the other party, creating a so-called "wedge." Conversely, leaders tend to compromise where a fight would cost rather than gain support.

The ten policies were presented to survey respondents (with the order randomized) as follows. The bracketed term is the shorthand used in this brief to refer to the policy.

<u>Broadly Supported Policies</u>

- **[Competition]** Using President Biden's executive authority, the federal government has sought to encourage greater competition in the private sector by, for instance, preventing mergers, filing lawsuits against Big Tech

companies, and ensuring that workers can leave one company and work for another in the same industry.

- **[Chips]** As part of the CHIPS and Science Act (2022), the federal government is spending approximately $75 billion supporting the construction of new semiconductor (computer chip) manufacturing plants in the United States.

- **[Drug Prices]** As part of the Inflation Reduction Act (2022), the federal government is saving approximately $300 billion by reducing drug prices through negotiations with pharmaceutical companies.

- **[Infrastructure]** As part of the Infrastructure Investment and Jobs Act (2021), the federal government is spending approximately $1,200 billion (that is, $1.2 trillion) to build and repair roads and bridges, broadband Internet connections, the electricity grid, passenger and freight railroads, water infrastructure, and more.

- **[Tariffs]** Using President Biden's executive authority, the federal government has maintained most of President Trump's tariffs, which impose taxes on goods imported into the United States from China.

Polarizing Policies

- **[Immigration]** Using President Biden's executive authority, the federal government has created and expanded programs allowing immigrants who are caught entering the country illegally to remain in the country and, in some cases, receive work permits.

- **[Student Loans]** Using President Biden's executive authority, the federal government has postponed payments on student loans and sought to forgive approximately $500 billion in student debt.

- **[Climate]** As part of the Inflation Reduction Act (2022), the federal government is spending approximately $400 billion to boost green energy sources and combat climate change.

- **[Child Tax Credit]** As part of the American Rescue Plan (2021), the federal government provided American households with approximately $400 billion in stimulus payments and expanded the Child Tax Credit so that all families could receive at least $3,000 per child.

- **[Safety Net]** As part of the American Rescue Plan (2021), the federal government spent approximately $300 billion to expand safety-net programs including unemployment insurance, rental assistance, food stamps, and childcare assistance.

Respondents were asked first whether each policy was major, minor, or one of which they were unaware; then whether each policy was good or bad for America; then whether each policy was good or bad for them personally. This brief focuses on their response to the question about America.

ESTABLISHING A BASELINE

The survey first asked respondents about the change in their financial wellbeing since President Biden took office. Overall, 20% selected "somewhat worse off" and 23% selected "much worse off," while only 24% selected a positive response. This result was slightly more positive for Biden than other recent polling. A survey conducted by the *Financial Times* and the University of Michigan in early December, using the same question, found 53% responding negatively and 17%

responding positively. A similar survey from Bankrate in October found 50% responding negatively and 21% responding positively.

Views diverged significantly by party, as is usually the case, with Democrats responding positively by 46% to 16% while Republicans responded negatively by 11% to 72%. More notably, Independents did not fall squarely in between but had views similar to those of Republicans, responding negatively by 15% to 51%.

Also notably, responses diverged almost as significantly by class as by party. The 44% of upper-class Americans responding positively was nearly as high as for Democrats, while the 17% to 50% negative view among working-class Americans was nearly identical to the response from Independents and nearly as low as for Republicans.

FIGURE 1. Since Joe Biden has become president, would you say that you are financially...
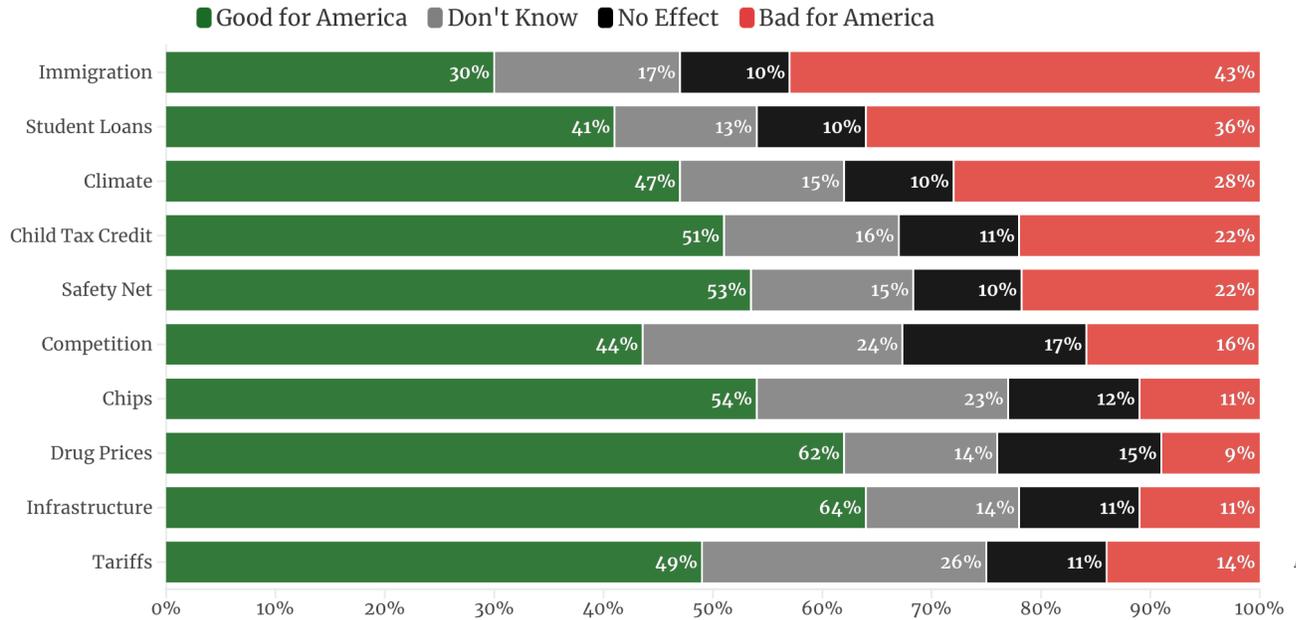
By class and party
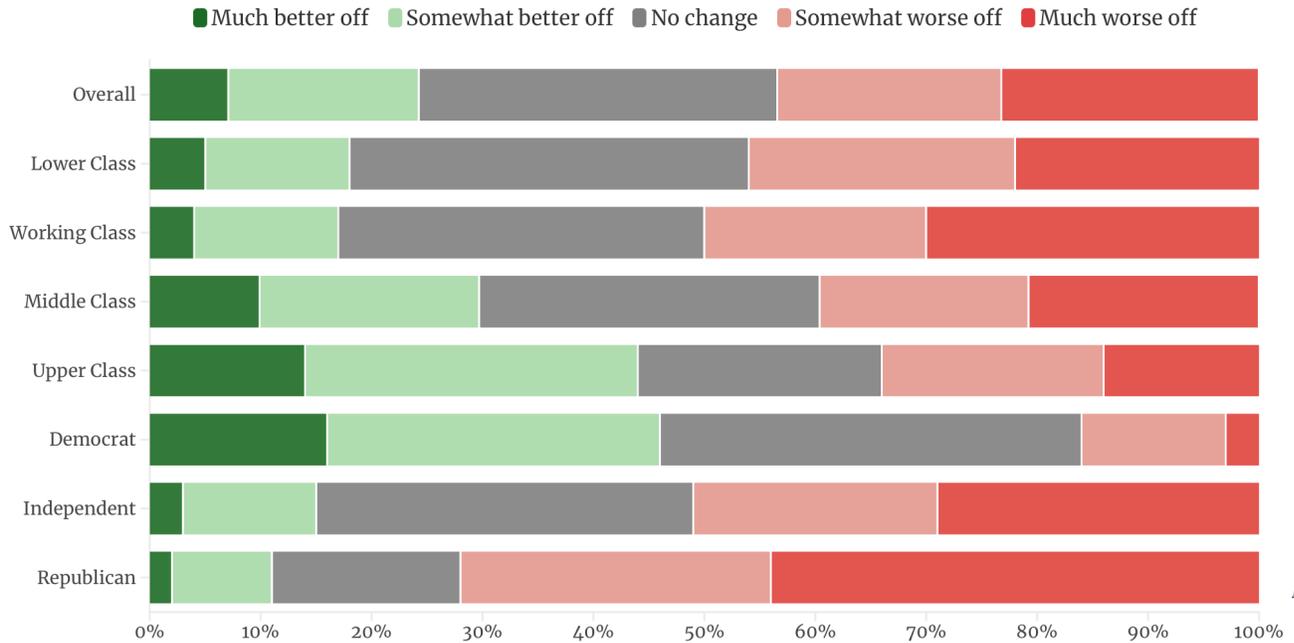
Source: American Compass Globalization Survey (2023), N = 1,000 American adults

Overall views on the ten economic policies validate the distinction between "broadly supported" and "polarizing" policies. In general, broadly supported policies were more likely to be viewed as "Good for America" and less likely to be viewed as "Bad for America." Calculating a "net positive rating" as the share responding Good for America minus the share responding Bad for America, Infrastructure (+54%) and Drug Prices (+53%) have the strongest support while Immigration (-14%), Student Loans (+3%), and Climate (+19%) have the weakest support.

**FIGURE 2.** How did Biden's Economic Policies Affect the Nation Overall?

Source: American Compass Globalization Survey (2023), N = 1,000 American adults

Disaggregating these results by political party highlight the difference between polarizing and broadly supported policies. All broadly supported policies have net positive ratings from both parties and the gap in rating between the parties is no higher than 35 percentage points. All polarizing policies are rated as neutral or negative by Republicans and the gap between parties is always at least 60 points.

FIGURE 3. Net Positive Rating of Biden's Economic Policies for the Nation Overall
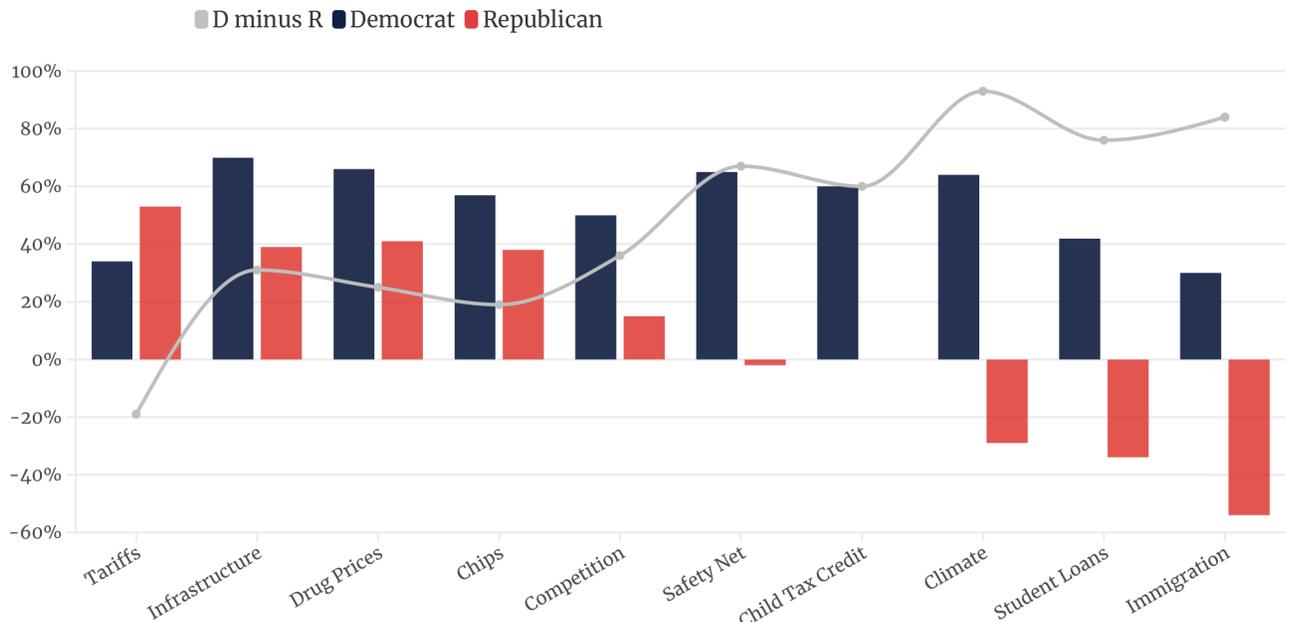
By party

■ D minus R ■ Democrat ■ Republican

Source: American Compass Globalization Survey (2023), N = 1,000 American adults
Note: The national net positive rating is equal to "Good for America" minus "Bad for America."

## HOW PRESIDENT BIDEN CORNERED HIMSELF

Of course, many policies are polarizing, which does not necessarily count against them. A leader may choose to pursue the course he believes right, even in the face of significant opposition. In many cases, the opposing party is the one whose positions are unpopular in the middle of the political spectrum, driving down its support when it holds its ground. The Biden White House may be unique in political history, though, for choosing to define itself through a set of fights so costly to its own popularity.

One way to see this problem is by comparing Independents to Democrats and Republicans. By default, Independent views generally fall in between Democrat and Republican ones, with no reason for them necessarily to appear closer to one party or the other. Indeed, across the five broadly supported policies, Independents are much closer to Democrats on one, roughly equidistant between the parties on two, and much closer to Republicans on two. Overall, their average distance from Democrats on the net positive rating for a broadly supported policy is 18 percentage points, while their average distance from Republicans is 9 points.

But on polarizing policies, Independents are in every case much closer to Republicans than to Democrats. Overall, their average distance from Democrats is 53 percentage points, as compared to a 23-point distance from Republicans. Across the three most polarizing issues—immigration, student loans, and climate—Democrats have a net positive rating of +45% while Independents are at -14% and Republicans at -39%.

FIGURE 4. Net Positive Rating of Biden's Economic Policies for the Nation Overall
By party
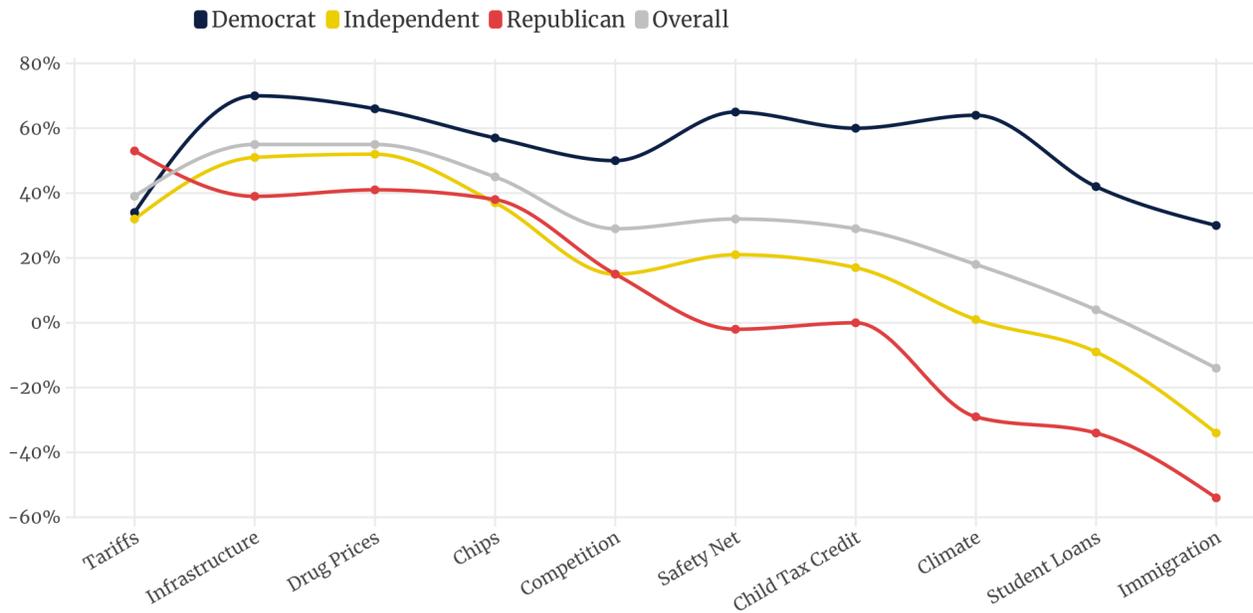
■ Democrat ■ Independent ■ Republican ■ Overall

Source: American Compass Globalization Survey (2023), N = 1,000 American adults
Note: The national net positive rating is equal to "Good for America" minus "Bad for America."

A parallel, and perhaps more politically costly, gap emerges in the views of working- and upper-class Americans on President Biden's polarizing policies. Working-class voters have historically been central to the Democratic coalition and the party's leaders have tended to emphasize polarizing policies that are especially popular with those voters and on which the Republican Party could be depicted as out-of-touch.

The Biden White House has done the opposite. Americans of different classes have generally similar and positive views of the broadly supported policies, and then views that diverge significantly on the polarizing policies. But the direction of that divergence is reversed from what a successful politician might aim to achieve. Views among upper-class Americans remain largely positive, while views among working-class Americans plummet. Whereas the average net positive rating on broadly supported policies is +51% for the upper class and +40% for the working class, on polarizing policies those figures fall to +30% for the upper class and +1% for the working class.

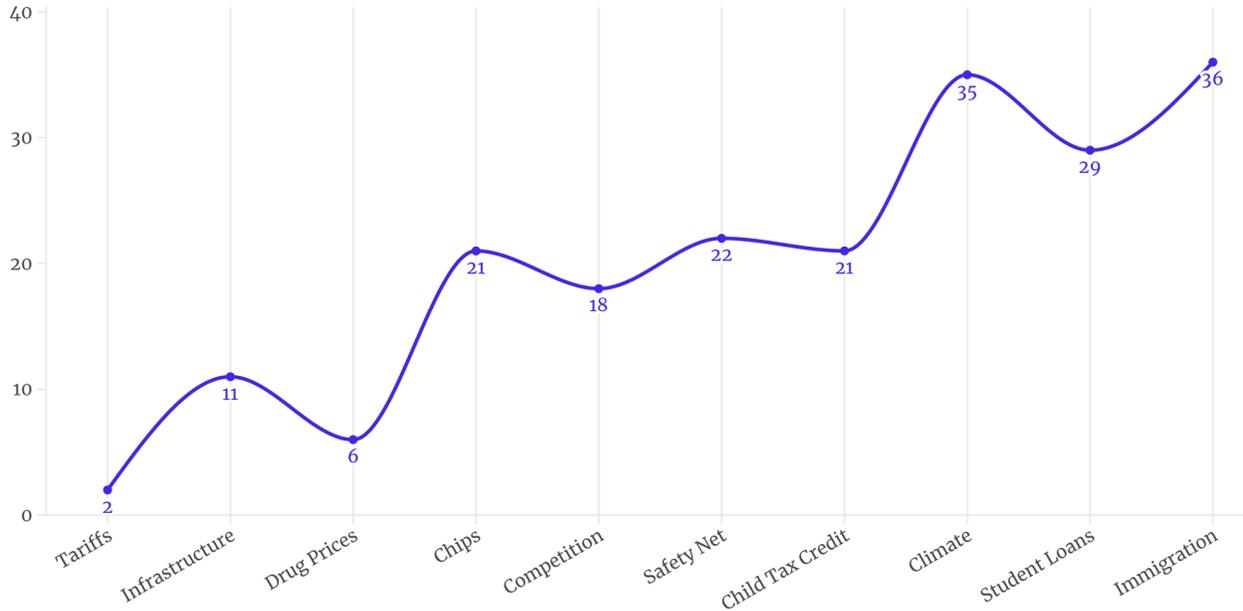**FIGURE 5.** Net Positive Rating of Biden's Economic Policies for the Nation Overall

By class
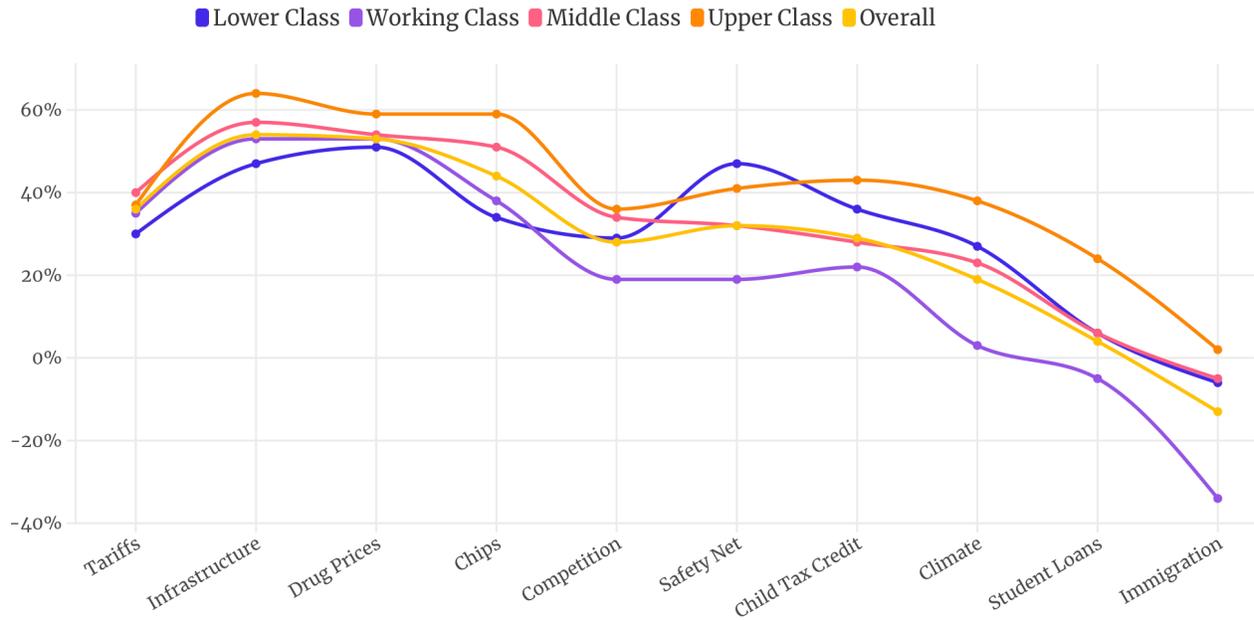
Source: American Compass Globalization Survey (2023), N = 1,000 American adults
Note: The national net positive rating is equal to "Good for America" minus "Bad for America."

Or, put more starkly, President Biden has chosen to take the most high-profile and controversial stances on those issues where upper-class enthusiasm most substantially outpaces working-class enthusiasm.

FIGURE 5. Net Positive Rating of Biden's Economic Policies for the Nation Overall

Percentage point difference in upper class minus working class

Source: American Compass Globalization Survey (2023), N = 1,000 American adults
Note: The national net positive rating is equal to "Good for America" minus "Bad for America."

This emphasis on issues that divide the upper and working classes, in favor of the upper class, appears at first glance like political malpractice, seeing as working-class Americans outnumber upper class Americans by roughly 3-to-1. But that issue may not be so obvious within the Democratic coalition, where the working-class segment is only about 50% larger. Unfortunately for Democratic strategists, that also means the ratio is about 5-to-1 among Independents and Republicans.

These results also provide powerful evidence of the ongoing realignment in American politics and its potential implications. In the past, issues might have fallen differently into the "broadly supported" and "polarizing" categories. For instance, the pre-Trump GOP's position on immigration often aligned more closely with the low-enforcement model pursued by the Biden administration. Conversely, on issues like drug prices and protecting domestic industry, Democrats might have spoken to working-class voters in terms that Republicans would staunchly oppose.

A realignment that leads a Democratic president to fight most aggressively on the issues that have least support among Independents and the working class is one that may significantly harm the Democratic Party's electoral prospects.

About the Data

The American Compass Globalization Survey was conducted by YouGov between November 21 and 28, 2023, with a representative sample of 1,000 Americans. YouGov interviewed 1,163 respondents. The sampling frame is a politically representative "modeled frame" of U.S. adults, based upon the American Community Survey (ACS) public use microdata file, public voter file records, the 2020 Current Population Survey (CPS) Voting and Registration supplements, the 2020 National Election Pool (NEP) exit poll, and the 2020 CES surveys, including demographics and 2020 presidential vote.

The matched cases were weighted to the sampling frame using propensity scores. The matched cases and the frame were combined, and a logistic regression was estimated for inclusion in the frame. The propensity score function included age, gender, race/ethnicity, years of education, 2020 presidential vote choice and region. The propensity scores were grouped into deciles of the estimated propensity score in the frame and post-stratified according to these deciles.

The weights were then post-stratified on 2020 presidential vote choice as well as a four-way stratification of gender, age (four categories), race (four categories), and education (four categories), to produce the final weight.

In analysis of the results, "Class" is defined by education and income:

- "Lower" (N= 236): less than a four-year degree and household income below $30K; or did not report household income and do not have a high school diploma.
- "Working" (N= 312): less than a four-year degree and household income $30K–$80K; or did not report household income and have either a high school diploma or some college but no degree.
- "Middle" (N= 335): four-year degree or more and household income $30K–$80K; or household income $80K-$150K; or did not report household income and have a two-year or four-year college degree.
- "Upper" (N= 96): household income above $150K; or did not report household income and have a post-graduate degree.

Respondents with a four-year college degree or more but household income below $30K are excluded from analyses using the "Class" variable (N= 21).

The questions about Biden administration policies described in this brief were asked of respondents after they had answered the questions about China and globalization described in a previous American Compass report, "The American Rejection of Globalization."