

New Models
**Messaging on *King v. Burwell*, Trade Promotion Authority,
The Export-Import Bank, and the Economy**

May 2015

OVERVIEW

Presentation Testing conducted two mixed-gender focus groups with moderate Independents in suburban Kansas City, MO on May 6, 2015. One group was comprised of 10 Romney-voting moderate Independents, and the other was comprised of 12 Obama-voting moderate Independents. All respondents had at least some college education, and were age 22 or older.

KEY FINDINGS

- 1) It was not very important to respondents, especially Romney-voting Independents, that Obamacare remains the law of the land. However, it was important to respondents, especially Obama-voting Independents, that Congress provide a legislative alternative if the U.S. Supreme Court were to deem a major portion of Obamacare unconstitutional. They did not want to scrap Obamacare entirely and go back to the way things were.**

In the beginning of each session, we asked:

On a scale from zero to 10, how important is it to you that the President's healthcare law, also known as Obamacare, remains the law of the land?

	Romney INDs	Obama INDs	Total (avg.)
0=Not at all important to 10=Very important	2.6	6.6	4.6

We asked respondents why they scored this question the way they did.

One Romney-voting Independent explained that two years before Obamacare went into effect, her husband was part of a carpenter's union. They received great benefits in a \$1,000 per month insurance package paid for by his employer. Now, she and her husband (who is no longer part of the union) are paying \$1,170 per month for much worse insurance, including high deductibles. She doubted that the costs of healthcare would go back down if Obamacare were no longer the law of the land because in her view, health insurance companies would keep the costs just as high. Others in the group expressed skepticism that Obamacare could be reversed because it has become too embedded to wipe out completely, and we would have to settle for adjustments to the law.

Obama-voting Independents believe that there are some really good parts of Obamacare, but they also believe that it could be better. Some were concerned about the controversy surrounding the law, but they were not sure that it could be replaced with anything better. They believe that those without health insurance should have a way to get the healthcare services that they need. One respondent explained:

“I work at a large hospital in the area and I, every day, talk to at least a half dozen people who have no insurance. They have been in the hospital as in-patient. They’ve been discharged, and after they were supposed to have a follow-up with someone—to make sure you’re still OK—they call and they have no doctor. They have no health insurance so they come back to the emergency room again. Their emergency rooms become their doctor, and that’s not good because we end up paying that so the hospital can still function. I think it’s important that there be something that they could possibly have, rather than nothing.” – Doreen, Obama-voting Independent

In the beginning of each session, we also asked:

On a scale from zero to 10, how important is it to you that Congress provides a legislative alternative if the U.S. Supreme Court were to deem a major portion of Obamacare unconstitutional?

	Romney INDs	Obama INDs	Total (avg.)
0=Not at all important to 10=Very important	6.0	8.1	7.1

Romney-voting Independents contended that we have already invested so much into the law. Something has to be there because the insurance companies are already acting upon it and people are already relying on the insurance that they have obtained. Merely scrapping Obamacare and going back to the way things were is not viable, in their view. Also, they expressed concern about what the legislative alternative would be, which may have caused some in the group to score this question lower than they otherwise would have. One respondent explained:

“For me, it’s fear of the unknown. I think we all think Obamacare is not the solution, but what the solution is, I think nobody knows, because it’s not happening. We’re all just nervous.” – Tim, Romney-voting Independent

Obama-voting Independents said that if the U.S. Supreme Court were to deem a major portion of Obamacare unconstitutional, Congress should provide a legislative alternative because the law is part of a larger objective that society has been working on for a long time. One respondent explained:

“We’ve been fighting to get a national healthcare plan for as long as I can remember. It goes back to when I was working for the state of Texas and that’s been 20-30 years. We finally get something, which may or may not (depending upon which way the wind is blowing) be constitutional, but it’s supposed to help so many people. Let’s find a way to make that happen.” – Pamela, Obama-voting Independent

- 2) Respondents were not very familiar with the U.S. Supreme Court case related to the constitutionality of Obamacare that will be decided by the end of June. Only three of 22 respondents—all Obama-voting Independents—were confident that they could tell us what the case is about, and what is *specifically* being challenged.**

In the beginning of each session, we asked:

On a scale from zero to 10, how familiar are you with the U.S. Supreme Court case related to the constitutionality of Obamacare that will be decided by the end of June?

	Romney INDs	Obama INDs	Total (avg.)
0=Not at all familiar to 10=Very familiar	4.7	4.9	4.8

Among Romney-voting Independents, none were confident that they could tell us what the case is about and what is *specifically* being challenged. Some told us that they heard that there was a case before the U.S. Supreme Court (which accounts for the above score not being very low), but they did not know many of the details.

Only three of 12 Obama-voting Independents indicated that they were confident that they could tell us what the case is about and what is *specifically* being challenged.

- 3) If the U.S. Supreme Court were to overturn a major portion of Obamacare, and say it’s unconstitutional, Obama-voting Independents support implementing measures that would expand access to healthcare for those who need it, including increasing the income threshold for Medicaid eligibility, implementing costs controls, and passing a one page bill that would give families their federal subsidies back in states that did not set up a healthcare exchange. Romney-voting Independents opposed the idea of passing the one page bill and instead, they said that they wanted to focus on cost containment in our healthcare system.**

During each session, we asked:

If the Supreme Court overturns a major portion of Obamacare, and says it’s unconstitutional, millions of people who gained their coverage through Obamacare would no longer be able to afford it. What should be done for those people, if anything?

Romney-voting Independents indicated that people need to take responsibility for themselves and not depend on the government for everything. They argued that Obamacare has taken away choice, and implied that that has led to increased healthcare costs. Some in the group advocated paying their own way for their healthcare costs. One female respondent recounted a visit to a Texas hospital following her father's heart attack where the hospital presented two payment options—cash or insurance. The prices for each were listed. She asserted that her father would have paid less had he *not* shown his insurance card because the cash price was lower than the option of going through his insurance and paying his portion.

Obama-voting Independents argued that we should increase the income threshold for Medicaid eligibility. This would allow people who could no longer afford their healthcare coverage through Obamacare to retain it. Also, they thought that we should implement cost controls with big pharmaceutical companies, hospitals, and doctors, implying that it would lower healthcare costs for everyone, which could increase access overall.

During each session, we also asked:

Some people say that this issue could be fixed quickly by passing a one page bill that would give families their federal subsidies back in states that did not set up a healthcare exchange. How do you feel about that idea?

Romney-voting Independents expressed skepticism that Congress could pass a one page bill about anything. During our discussion, respondents told us that insurance companies currently negotiate their prices downward 30 to 40 percent while those without insurance are stuck paying 100 percent of the bill. They want others to have access to healthcare services, and they think that disparity is unfair. Some thought that insurance companies should bill a flat rate for every service. Some respondents implied that they would prefer that method of cost containment rather than continuing the subsidies.

Obama-voting Independents were similarly skeptical that Congress would be able to pass a one page bill. They generally liked the idea of giving subsidies back to people, but they were skeptical that Republicans in Congress would be willing to fix a problem that they think Democrats created, especially with the election coming up in 2016.

4) The proposed alternative to Obamacare garnered a mixed reaction. Both groups liked some parts of it, but they also had sizable objections.

During each session, we asked respondents to read a two-page House Ways and Means document that provided a potential alternative to Obamacare if the U.S. Supreme Court were to determine that the Obama administration illegally extended premium subsidies to plans bought on the federal exchange, which would cause millions of people to lose their premium subsidies. The proposed alternative plan included allowing states to opt out of Obamacare, and giving families financial assistance and market reforms to make healthcare more affordable and patient-

centered. The three main parts of the plan were financial assistance, lowering the cost of healthcare, and providing state flexibility.

During each session, we asked respondents what they liked, if anything, about the proposed plan.

Romney-voting Independents offered the following list:

- Prohibits insurers from imposing lifetime limits on benefits
- Protects Americans with pre-existing conditions
- Guarantees renewability for those who are continuously enrolled in a plan
- Enables workers to move from employer-sponsored insurance to individual plans without the fear of being priced out of coverage
- Empowers small businesses and other groups to band together to increase their bargaining power with insurance companies
- Allows families to apply the credit toward a wider range of plans, and not be limited to those on the federal exchange

Obama-voting Independents offered the following list:

- More cost-effective and patient-centered
- Repeals the individual mandate
- Repeals the employer mandate and its related reporting requirements

Some Obama-voting Independents told us that the entire plan sounded good, but they expressed skepticism that Republicans would follow through on these ideas. They referred to Republicans as “polarized” and “divisive,” stating that they are not the same political party that they were 20 years ago.

We also asked respondents what they disliked about the plan, if anything. Romney-voting Independents said the following:

- It ignores the actuarial premise of Obamacare—without requiring the young and healthy to purchase health insurance, which they will not want to do, it becomes an older and more expensive group of people in the insurance pool
- Extending coverage to 26 year olds does not teach them responsibility, especially when their parents are probably paying for that coverage
- It is unclear who is paying for the tax credit
- Allowing states to implement rules that make sense in their market would create too many differences among the states

Obama-voting Independents offered the following list:

- It sounds like you already have to be paying taxes to receive the tax credit, which would not help low income people
- It is unclear how the government would compel people to purchase health insurance with the tax credit rather than paying other bills
- The proposed plan does not explain how we will pay for getting rid of the individual and employer mandates

- It does not explain what has to be covered, which could bring about debates akin to the recent Hobby Lobby controversy regarding birth control coverage
- Discussion of “the broken promises of Obamacare” caused some respondents to shut down

We asked Romney-voting Independents if the proposed plan, as described, would be a good alternative to Obamacare if a major portion of it were overturned by the U.S. Supreme Court. None responded affirmatively, for the reasons cited above.

5) When given the choice between a one page bill that would give families their federal subsidies back in states that did not set up a healthcare exchange, or passing a bill that advocates the ideas in the Ways & Means alternative, all Romney-voting Independents preferred the proposed alternative, but only marginally. Obama-voting Independents were split—six to six—over which solution they preferred.

During our discussion in each session, we asked:

If your Member of Congress were given a choice between passing a one page bill that would give families their federal subsidies back in states that did not set up a healthcare exchange or passing a bill that advocates the ideas in the [Ways & Means] document that you just read, which option would you want him or her to support?

Romney-voting Independents marginally favored the Ways & Means alternative, labeling it the “lesser of two evils,” while Obama-voting Independents were split—six to six.

6) Respondents had very little familiarity with Trade Promotion Authority upon entering the sessions, but reading a short document about the policy caused most respondents (17 of 22) to develop a positive view of it.

In the beginning of each session, we asked:

On a scale from zero to 10, how familiar are you with the current debate in Washington over giving the President Trade Promotion Authority?

	Romney INDs	Obama INDs	Total (avg.)
0=Not at all familiar to 10=Very familiar	1.9	1.9	1.9

During each session, we asked respondents to read a document about Trade Promotion Authority. Its key elements were:

- (1) TPA outlines Congressional guidance to the President on trade policy priorities and negotiating objectives.
- (2) TPA establishes Congressional requirements for the Administration to notify and consult with Congress, with the private sector and other stakeholders and with the public during the negotiations of trade agreements.
- (3) TPA defines the terms, conditions, and procedures under which Congress allows the Administration to enter into trade agreements, and sets the procedures for Congressional consideration of bills to implement the agreements.

Note: The entirety of that document is not included in this report.

We asked respondents what their reaction was after reading the document—whether they viewed Trade Promotion Authority, or TPA, positively or negatively.

Trade Promotion Authority	Romney INDs	Obama INDs	Total
Positive view	8	9	17
Negative view	2	3	5

Romney-voting Independents who viewed TPA positively told us that it would create jobs in the U.S., it requires the President to work with Congress, oversight is a good thing, and they liked the idea of having an up or down vote, without amendments, because it shortens the process.

Obama-voting Independents told us that TPA gives the government time to work together to do what is best for the public interest. Also, they liked that TPA includes Congress, the private sector, and stakeholders, and it is important to have their input because trade agreements can really impact our economy.

Romney-voting Independents who viewed TPA negatively indicated that it does not do anything for our country, including helping us to manufacture products in the U.S. that Americans can afford to buy.

Obama-voting Independents who viewed TPA negatively told us that the document implied that the President is restricted by Congress in his ability to negotiate trade agreements, an idea with which they disagreed.

During each session, we asked respondents what questions they have about TPA.

Romney-voting Independents compiled the following list:

- How does TPA support U.S. jobs?
- How much of our product is going overseas?

Obama-voting Independents offered the following list:

- What have we accomplished over the past 30 years under TPA?
- What is our current status with TPA?
- Did NAFTA come out of TPA?

7) The statement about trade that garnered the highest level of agreement among respondents was: “If we’re not writing the rules of the global economy, countries like China will write them.”

During each session, we asked respondents to rate five statements about trade/TPA for how much they agreed or disagreed. (All five statements and the groups’ ratings appear in an addendum at the end of this report.) Zero means the respondents totally disagreed, and 10 means they totally agreed. The highest scoring statement in each session (and overall) was:

	Romney INDs	Obama INDs	Total (avg.)
If we’re not writing the rules of the global economy, countries like China will write them.	7.7	8.5	8.1

We asked respondents why they scored this statement the highest.

Romney-voting Independents remarked that it sounded valid to them that if we, as a nation, do not do something, another nation will. It seemed plausible to them that China would step in to write the rules of the global economy, given that we are so indebted to that nation. They mentioned that we are “ridiculously dependent” on China, and it has the leverage to write those rules if we do not do it first.

Obama-voting Independents conveyed that the statement appealed to their sense of being American and maintaining a sense of patriotism. They expressed concern about a nation as large as China taking over and making decisions that could adversely impact us. They pointed out that China is manufacturing so many of our products and making a lot of money from us. The nation that has the money has the power, in their view.

8) Some respondents, especially Romney-voting Independents, disagreed with the idea that 95 percent of the world’s consumers live outside the U.S.

During each session, we asked respondents to score the following statement (on a zero to 10 scale of agreement):

	Romney INDs	Obama INDs	Total (avg.)
Ninety five percent of the world’s consumers live outside the U.S., and if we want to grow our economy and create more jobs we need to make more things here and sell them over there.	6.1	7.8	7.0

In our session with Romney-voting Independents, we heard that the 95 percent figure seemed high because we are the consumers in the world, and that in other countries, where the citizens don't consume much, are the manufacturers.

In our session with Obama-voting Independents, we learned that some respondents would have agreed more with this statement had it said that 95 percent of the world's *people* live outside of the U.S rather than 95 percent of the world's *consumers*. It is important to recognize the key difference between the percentage of people living outside of the U.S. and the percentage of goods being consumed outside of the U.S.

9) The statement about TPA that garnered the lowest level of agreement among respondents was: “Right now the deck is stacked against American workers and job creators, and TPA will help us level the playing field.”

During each session, we also asked respondents to rate the following statement (on a zero to 10 scale of agreement):

	Romney INDs	Obama INDs	Total (avg.)
Right now the deck is stacked against American workers and job creators, and TPA will help us level the playing field.	4.3	4.3	4.3

Respondents in both groups agreed that the deck is stacked against American workers, but they were skeptical that TPA would level the playing field. They asked why the playing field is *still* not level after 30 years of this policy. And they wanted to know what would be done differently this time that was not done before.

During our discussion with Obama-voting Independents, we learned that if TPA had been described in the handout as giving help to the President in negotiating *specific* upcoming trade agreements, that would have clarified why we need to pass TPA. One respondent said that should have been under “Key elements of TPA” in the document that we presented to them.

10) Respondents were very unfamiliar with The Export-Import Bank prior to our sessions. After reading the top three PRO arguments and the top three CON arguments about the Bank, respondents favored the CON side by a margin of 14 to 8 overall. Romney-voting Independents heavily favored the CON side (9 to 1) while Obama-voting Independents were more split (7 to 5 in favor of the PRO side).

In the beginning of each session, we asked:

On a scale from zero to 10, how familiar are you with The Export-Import Bank?

	Romney INDs	Obama INDs	Total (avg.)
0=Not at all familiar to 10=Very familiar	1.9	0.7	1.3

None of the respondents in the sessions were confident that they could explain what The Export-Import Bank is and what it does.

Then, we presented three PRO arguments and three CON arguments about The Export-Import Bank.

The PRO argument titles were:

- U.S. Jobs Are Dependent On The Export-Import Bank
- The U.S. Ex-Im Bank Helps Level Imperfect Markets
- Foreign Export Credit Assistance Is In Direct Competition With U.S. Companies

The CON argument titles were:

- The Bank Picks Winners and Losers
- The Bank Makes Bad and Unnecessary Investments
- Private Creditors Would Never Make These Loans

Note: The full description of each PRO and CON is not presented in this report.

After respondents read the arguments and their full descriptions, we asked which side, in its entirety, they found more persuasive:

The Export-Import Bank	Romney INDs	Obama INDs	Total
PRO arguments	1	7	8
CON arguments	9	5	14

11) For those who preferred the PRO side as it relates to The Export-Import Bank, the most persuasive argument was: “Foreign Export Credit Assistance Is In Direct Competition With U.S. Companies”

We asked the one Romney-voting Independent and the seven Obama-voting Independents who found the PRO side more persuasive which of the three arguments they found most persuasive:

PRO arguments	Romney INDs	Obama INDs	Total
1=U.S. Jobs Are Dependent On The Export-Import Bank	0	2	2

2=The U.S. Ex-Im Bank Helps Level Imperfect Markets	0	2	2
3=Foreign Export Credit Assistance Is In Direct Competition With U.S. Companies	1	3	4

Among respondents who found the PRO side more persuasive, the third argument—Foreign Export Credit Assistance Is In Direct Competition With U.S. Companies—was the most persuasive. In each session, we heard that an American airplane manufacturer, such as Boeing, cannot compete with Airbus, which is heavily subsidized by several European nations. In their view, The Export-Import Bank helps to level the playing field between the U.S. and other nations. Obama-voting Independents pointed out that American farmers receive subsidies because farmers overseas are subsidized and it helps us to compete globally.

For Romney-voting Independents who chose the CON side, the fact that other countries are subsidizing companies overseas did not automatically cause them to think that we should be doing it here.

12) For those who preferred the CON side as it relates to The Export-Import Bank, the most persuasive argument, by far, was: “The Bank Makes Bad and Unnecessary Investments”

We asked the nine Romney-voting Independents and the five Obama-voting Independents who found the CON side more persuasive which of the three arguments they found most persuasive:

CON arguments	Romney INDs	Obama INDs	Total
1=The Bank Picks Winners and Losers	0	0	0
2=The Bank Makes Bad and Unnecessary Investments	8	4	12
3=Private Creditors Would Never Make These Loans	1	1	2

Respondents opposed bad and unnecessary investments. Obama-voting Independents asserted that the recession in 2008 began because we were gambling with taxpayer dollars.

We asked Romney-voting Independents what they would want to know about The Export-Import Bank’s value that might cause them to change their mind about it, given that nine of 10 respondents in that group found the CON side more persuasive.

They compiled the following list:

- Where is the money coming from?
- Who decides who gets the money?
- Why aren’t any of the successful investments from The Export-Import Bank listed in the PRO side?
- Why don’t private creditors want anything to do with it?

Note: We did not ask Obama-voting Independents this question.

13) Obama-voting Independents were optimistic about the direction of the U.S. economy compared to one year ago, with eight of 12 in that group indicating that the U.S. economy is getting at least somewhat better. Romney-voting Independents were more split, with three saying that the economy is getting at least somewhat worse, four saying that it is staying as is, and three saying that it is getting somewhat better compared to one year ago.

In the beginning of each session, we asked:

Compared to one year ago, is the U.S. economy...

Answer choices	Romney INDs	Obama INDs	Total
1=getting much worse	1	0	1
2=getting somewhat worse	2	1	3
3=staying as is	4	3	7
4=getting somewhat better	3	7	10
5=getting much better	0	1	1

We asked respondents in each session who believe that compared to one year ago, the U.S. economy is getting at least somewhat worse or at least somewhat better what evidence they have for their belief.

Romney-voting Independents who believe that compared to one year ago, the U.S. economy is getting somewhat better cited:

- The Dow Jones Industrial Average is near 18,000
- Interest rates are still low
- The demand for home starts, existing homes, and home furnishings has improved
- People appear to be more comfortable spending their money (discretionary spending seems to be increasing)

Obama-voting Independents who believe that compared to one year ago, the U.S. economy is getting at least somewhat better cited:

- Retirement accounts have increased in value because the stock market has improved
- The housing market has improved—more homes are being sold and the values have increased
- The job market is improving—more jobs are available, more people are getting jobs after being laid off, and more people are voluntarily leaving their jobs to pursue other employment opportunities
- Increased retail spending (i.e., women are buying more expensive jewelry)
- There is a feeling of higher morale in the economy
- Increased manufacturing activity

Romney-voting Independents who believe that compared to one year ago, the U.S. economy is getting at least somewhat worse cited:

- The cost of everything is going up and wages don't match the increases in the cost of living (inflation)
- One respondent said that she is paying more taxes, which means that she is keeping less money in her own pocket
- A lot of people are spending money outside of their limits to keep up with the Joneses, more so than what they have done in the past
- Another respondent knows people who have been losing their jobs when that was not the case before
- The Federal Reserve is printing \$80 billion per month
- The unemployment rate is higher than what the government reports—likely in the 10 to 11 percent range

The only Obama-voting Independent who believes that compared to one year ago, the U.S. economy is getting somewhat worse cited:

- This respondent's place of employment is cutting back substantially—he may be out of work by May 18th
- Gas prices are up, which makes travel and everything else more expensive

14) Obama-voting Independents were far more optimistic than Romney-voting Independents about where they believe the unemployment rate will be one year from today, with all 12 stating that the unemployment rate will be at or below 6%, with three saying that it will fall from its current level of 5.5% to under 5% by that time. However, almost half (four of 10) of Romney-voting Independents believe that the unemployment rate will increase from its current level of 5.5% to at least 6% one year from today.

In the beginning of each session, we asked:

The unemployment rate in the U.S. now stands at 5.5%. A year from today, do you expect it to be...

Answer choices	Romney INDs	Obama INDs	Total
1=Under 5%	0	3	3
2=Between 5% and 6%	6	9	15
3=Between 6% and 7%	2	0	2
4=Between 7% and 8%	1	0	1
5=Between 8% and 9%	1	0	1
6=Between 9% and 10%	0	0	0
7=Above 10%	0	0	0

Addendum

During each session, we asked respondents to evaluate the following statements about trade and TPA for how much they agreed or disagreed. Zero means they totally disagreed, and 10 means they totally agreed.

The following chart shows how respondents in each group scored each of the statements, in descending order, by overall average:

	Romney INDs	Obama INDs	Total (avg.)
If we're not writing the rules of the global economy, countries like China will write them.	7.7	8.5	8.1
Ninety five percent of the world's consumers live outside the U.S., and if we want to grow our economy and create more jobs we need to make more things here and sell them over there.	6.1	7.8	7.0
TPA empowers Congress by letting Congress set our priorities in trade negotiations.	6.0	5.3	5.7
TPA is needed to provide accountability and transparency to trade negotiations.	5.6	4.5	5.1
Right now the deck is stacked against American workers and job creators, and TPA will help us level the playing field.	4.3	4.3	4.3