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Handicapping the 2012 Presidential Race with Charlie Cook

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Charlie Cook is the Editor and Publisher of The Cook Political Report, and political analyst for the National Journal Group, where he writes weekly for National Journal magazine and CongressDailyAM . He also writes a regular column for the Washington Quarterly, published by the Center for Strategic and International Studies, and is a political analyst for NBC News.

Widely regarded as one of the nation's leading authorities on U.S. elections and political trends, Charlie has appeared on the ABC, CBS and NBC evening news programs, as well as on "Good Morning America," the "Today Show," "Nightline," "Meet the Press with Tim Russert," and "This Week...". He has also appeared on MSNBC, C-Span, CNN and National Public Radio.

Before joining the National Journal Group in June of 1998, Charlie wrote for 12 years a twice-weekly column in Roll Call, the newspaper of Capitol Hill. Charlie also served as an election night analyst for CBS in 1990 and 1992, and for NBC since 1994.

The New York Times has called Cook, "...one of the best political handicappers in the nation" and noted that The Cook Political Report is "...a newsletter that both parties regard as authoritative." The Wall Street Journal's Al Hunt has called Cook "the Picasso of election analysis," while David Broder of The Washington Post has written that Charlie Cook is "perhaps the best non-partisan tracker of Congressional races."

I. Politics thru Prism of House

- A. Democrats controlled 1955-1994 (40 years)
- B. Republicans controlled 1995-2006 (12 years)
- C. Democrats controlled 2007-2010 (4 years)
- D. Republicans control 2011- (? Years)
- E. Circle getting tighter and tighter, voters showing less patience and tolerance than before.

Why Volatility and Turbulence?

A: Less About Turnout than Often Thought

1. 2006 Midterm: 38%D, 36%R, 26%I
2. 2010 Midterm: 36%D, 36%R, 28%I (Dems -2, Reps no change, Indies +2)
3. 2004 Pres: 37% of votes Dems, 37% Reps, 26% Indies
4. 2008 Pres: 39% of votes Dems, 32% Reps, 29% Indies

II. Why Volatility and Turbulence?

B: Less About Defections than Often Thought

1. 2006 Midterm: Dems: 93-7, 2010: Reps: 91-8
2. 2010 Midterm: Dems: 92-7, 2010: Reps: 95-4
3. 2004 Pres: Bush 93% of R's, Kerry 89% of D's
4. 2008 Pres: McCain 90% of Reps, Obama 89% of Dems (big anomaly)

Why Volatility and Turbulence?

C: It's Independents(between 26 to 29%)

1. 2006 Midterm: Indies voted Dem by 18 pts. 57-39,
2. 2010 Midterm: Indies voted Rep by 18 pts. 56-38
3. 2004 Pres: Indies for Kerry by 1, 49-48
4. 2008: Indies voted Dem by 8, Obama by 8, 52-44
5. If Austin Powers Movie, Indies where you get your Mojo

Why Volatility and Turbulence?

D: Independents are different people/40 Yard Lines

1. Republicans and conservatives like to watch Fox
2. Democrats and liberals like to watch (to a lesser extent) MSNBC
3. Do you know what the most watched cable TV network is?
USA Network
4. Republicans, conservatives have passion
5. Democrats, liberals have passion
6. Independents and moderates have lives

III. No Reason to Think This Volatility and Turbulence is Over.

- A. Debt Limit Crisis/Signal Issue (See McInturff <http://bit.ly/rjiTXj>)
- B. Gallup: Cong App: 15%, Disapp: 82. Approve: D: 13%, R: 19% I: 13%
- C. After 2006, 2008, 2010, why should things settle down now?
- D. 1992 Election: Only Bi-partisan Anti-Incumbent Year in History
 - 1. Record retirements (41), many forced.
 - 2. Lowest % of incumbents re-elected since 60's, 19 lost primaries, 24 lost generals, both parties lost unusually large # of incumbents.
 - 3. In the House, Big Turnover for GOP more likely to hold than lose majority
 - 1. 24 seats: big number for WH party in presidential year. Only 1964
 - 4. Senate: 53-47, Up in 2012: 23-10, Competitive 10 Democrats -2 Republicans
 - 5. Most likely outcome, narrow GOP House and Senate majorities.

IV. 2012 Presidential Race

A: Generally Speaking, if you had a Choice of Knowing Who GOP will nominate or Where the Economy will be in 2012, the Economy is more important?

1. Fundamentally, when an incumbent President is up for Re-election, it is a referendum, not a choice. (no incumbent: Baskin-Robbins, strawberry-pistachio)
2. Americans vote their pocket-books, the economy. GDP, Unemployment, Real disposable income, average gasoline price.

B: This Economy is not the kind that generally re-elects Presidents.

1. Unemployment > 8% 31 months, since Feb 2009, > 9% 27/28 months.
 - a. Breadth: U-6: 16.2% (jobless, given up, working p/t but seeking f/t)
 - b. Depth: 42.9% of jobless 27+ weeks, Avg duration of jobless 40.3 weeks
2. Economic Growth/GDP
 - a. 2011 Q-I: .4%
 - b. 2011 Q-II: 1.3%. Avg 6 months: .8 1/2% GDP Growth < 1 point above recession
3. **Change in Real Personal Disposable Income** from a year Earlier (black diamond)
4. Household Income down sharply
5. Poverty Rate up four years in a row

IV. 2012 Presidential Race

C: Economy Very Unlikely to get much better/May get worse before better

1. Keeping in mind you need 3% GDP growth for net new job creation
2. Blue Chip Economic Indicators Consensus'
3. Calendar 2011: 1.6% GDP, Unemployment 9.1%
4. Calendar 2012: 2.2% GDP, Unemployment 8.9%
5. 2012-Q-I GDP: 2.1% Unemployment 9.0%
6. 2012-Q-II GDP: 2.4%, Unemployment 9.1%
7. 2012-Q-III GDP: 2.6%, Unemployment 8.9%
8. 2012-Q-IV GDP: 2.8%, Unemployment 8.7

V. Makeup of GOP: Three Ways to Look At

1. 1/3 Tea Party, 1/3 anti-Tea Party, 1/3 agree Tea Party but Loyal to GOP sports
2. Tea Party, Social/Cultural/Religious, Secular/Legacy
3. 1/3 Conservative. 2/3 Really, really, really conservative (No libs/few mods left)

VI. Basically this Presidential Race is Republicans to Lose. Question is whether they will.

1. Referendum Theory Predicated on Assumption of Placebo/Vehicle
2. If Challenger is a Ronald Reagan/game changer/charismatic/might win decent economy.
3. But if challenger is polarizing figure who alienates or scares those Independents, the between the 40-yard liners, tougher call.

VII. Scenarios

- A. Perry grows, matures, tones down, softens rough edges.
 - 1. Realizes Philly suburbs, Coloumbus Ohio, Denver suburbs aren't Houston
 - 2. Bachmann self-destructs, Perry wins because he represents dominant faction of GOP.
 - 3. Perry still polarizes some but Obama extremely vulnerable, 50-50 shot at winning general election.
- B. Perry doesn't Grow, Perry-Bachmann in Right-ward Outflanking contest
 - 1. Electability gap emerges between Perry and Romney triggers Hearts vs Heads dilemma,
 - 2. Romney wins nomination, not polarizing, wins general election easily.

VIII. What Can President Obama Do? Not much beyond pray.

1. President Obama was dealt a bad hand but then misplayed it.
2. 2009 Economic Stimulus Too Small, Too Unfocused, Too Undisciplined.
 - a. Both Sides Underestimated Economic Challenge
 - b. GOP said it was unnecessary or too big
 - c. Obama/Dems larded it up with pet Dem priorities, too little infrastructure
3. Checked the economy box then moved to climate change and health care reform
4. Didn't focus on economy until late 2010, now stimulus four letter word

Gallup Job Approval Ratings for Presidents 13 Months before Election*

Dwight Eisenhower	78%	Won
George H. W. Bush	66%	Lost
John Kennedy	58%	Won
George W. Bush	55%	Won
Richard Nixon	52%	Won
Bill Clinton	48%	Won
Ronald Reagan	45%	Won
Barack Obama	41%	?
Jimmy Carter	33%	Lost

*Elected Presidents Only

Obama Gallup job approval rating listed was for the week of September 19-25. The three-day average for September 27-30 was 39 percent approve, 52 percent disapprove. Reagan's job approval ratings had been much lower but were on the rise by this point with the economy improving, Carter's numbers began surging in October 1979 but then began plummeting again in June 1980.

2012 Electoral Vote Scorecard

September 15, 2011

COOK POLITICAL REPORT ELECTORAL COLLEGE VOTING RATINGS						
Solid Dem (15 states)	Likely Dem (1 states)	Lean Dem (2 states)	Toss Up (10 states)	Lean Rep (1 states)	Likely Rep (2 states)	Solid Rep (20 states)
California (55) Connecticut (7) Delaware (3) Hawaii (4) Illinois (20) Maine (4) Maryland (10) Mass'setts (11) New Jersey (14) New York (29) Oregon (7) Rhode Island (4) Vermont (3) Washington (12) Dist. of Col. (3)	New Mexico (5)	Minnesota (10) New Hamp. (4)	Colorado (9) Florida (29) Iowa (6) Michigan (16) Nevada (6) North Car. (15) Ohio (18) Pennsylvania (20) Virginia (13) Wisconsin (10)	Missouri (10)	Arizona (11) Indiana (11)	Alabama (9) Alaska (3) Arkansas (6) Georgia (16) Idaho (4) Kansas (6) Kentucky (8) Louisiana (8) Miss'ppi (6) Montana (3) Nebraska (5) North Dak. (3) Oklahoma (7) South Car. (9) South Dak. (3) Tennessee (11) Texas (38) Utah (6) West Virg. (5) Wyoming (3)
186 E.V.	5 E.V.	14 E.V.	142 E.V.	10 E.V.	22 E.V.	159 E.V.
191 ELECTORAL VOTES		270 ELECTORAL VOTES NEEDED TO WIN			181 ELECTORAL VOTES	
205 ELECTORAL VOTES			191 ELECTORAL VOTES			

2012 SENATE RACE RATINGS
MAY 26, 2011

Senate Lineup: 51 Democrats, 47 Republicans, 2 Independent(s)
 Senators with names in parentheses are retiring.

The chart below provides a spectrum that analyzes the vulnerability (the chances of the seat switching parties) of the Senate races up this cycle.

Solid: These races are not considered competitive and are not likely to become closely contested.

Likely: These seats are not considered competitive at this point but have the potential to become engaged.

Lean: These are considered competitive races but one party has an advantage.

Toss Up: These are the most competitive races; either party has a good chance of winning.

DEMOCRATS 23 HELD SEATS						
SOLID D (9)	LIKELY D (4)	LEAN D (2)	TOSS UP (7)	LEAN R (0)	LIKELY R (1)	SOLID R (0)
Feinstein (CA) Carper (DE) HI (Akaka) Cardin (MD) Klobuchar (MN) Menendez (NJ) Gillibrand (NY) Whitehouse (RI) Sanders (VT)	CT (Lieberman) Stabenow (MI) Casey (PA) Cantwell (WA)	Nelson (FL) Brown (OH)	McCaskill (MO) Tester (MT) Nelson (NE) NM (Bingaman) VA (Webb) Manchin (WV) WI (Kohl)		ND (Conrad)	
REPUBLICANS 10 HELD SEATS						
SOLID D (0)	LIKELY D (0)	LEAN D (0)	TOSS UP (2)	LEAN R (0)	LIKELY R (4)	SOLID R (4)
			Brown (MA) Heller (NV)		AZ (Kyl) Lugar (IN) Snowe* (ME) TX (Hutchison)	Wicker (MS) Corker (TN) Hatch* (UT) Barrasso (WY)

* = potential retirement

Thank you for joining the call. If you have any questions, please contact sales@renmac.com