

# Cook's Tour of American Politics and Economics

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## National Journal Presentation Credits

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The following slides were updated:

Slides 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 23, 24, 25, 26, and 28.



When you think economics, think elections;  
When you think elections, think economics.

- *Edward Tufte, Political Control of the Economy (1978)*

# Roadmap for the Presentation

Economic Vital Signs

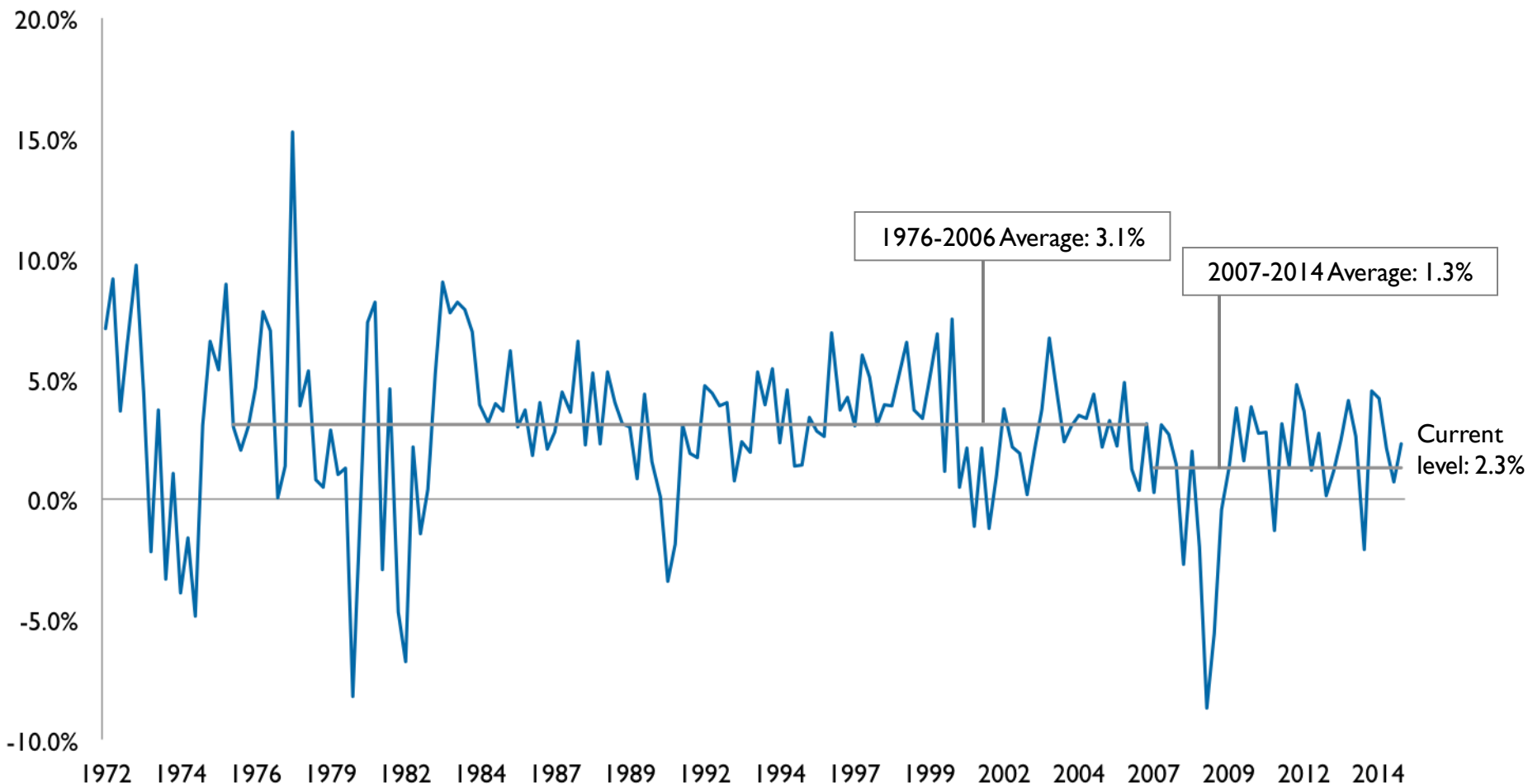


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graph TD; A[Economic Vital Signs] --> B[American Politics]
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American Politics

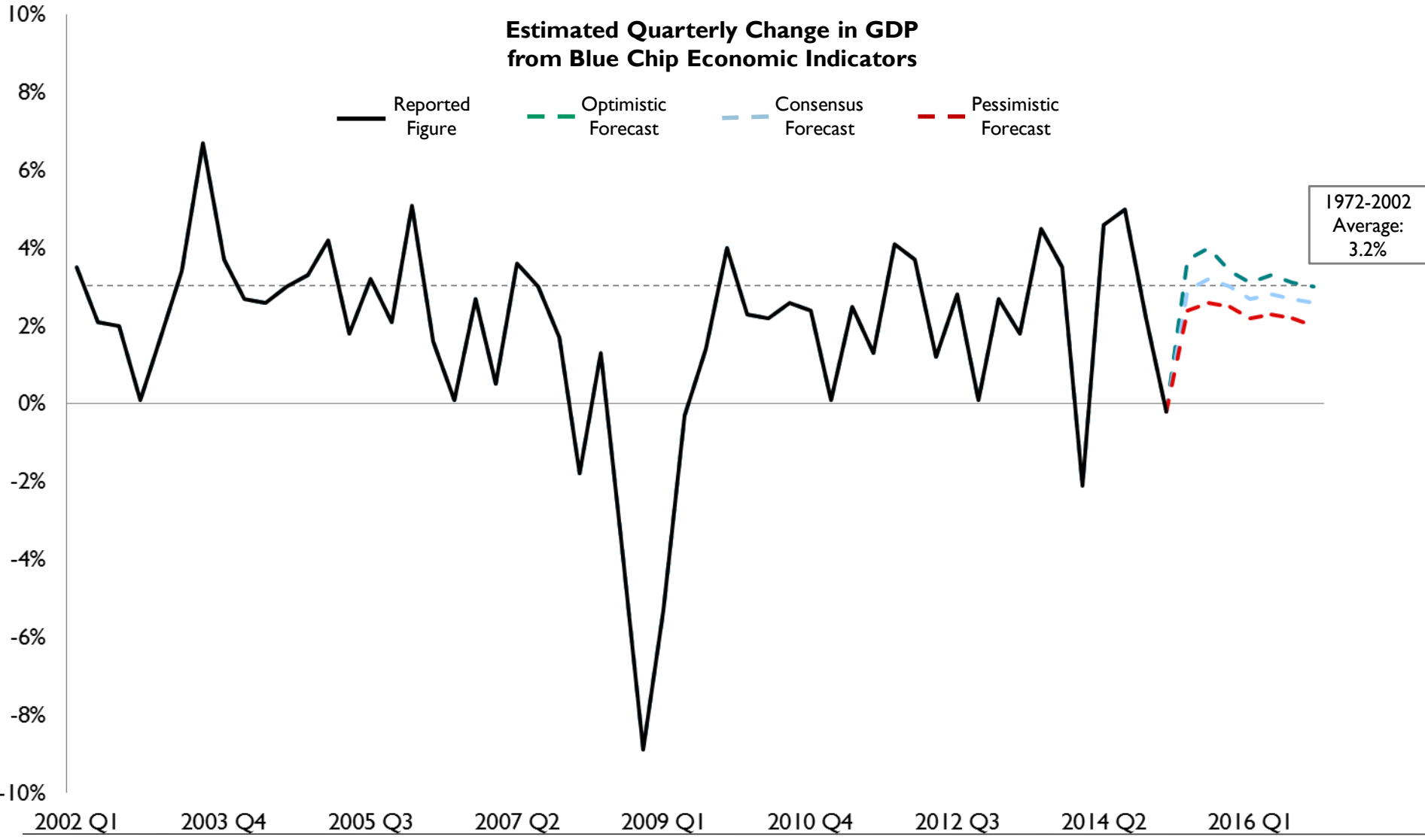
# Economic Growth Just Now Returning to Normal Levels

**Real GDP**  
Percent Change from Prior Quarter at Annual Rate



Source: St. Louis Federal Reserve, July 30, 2015

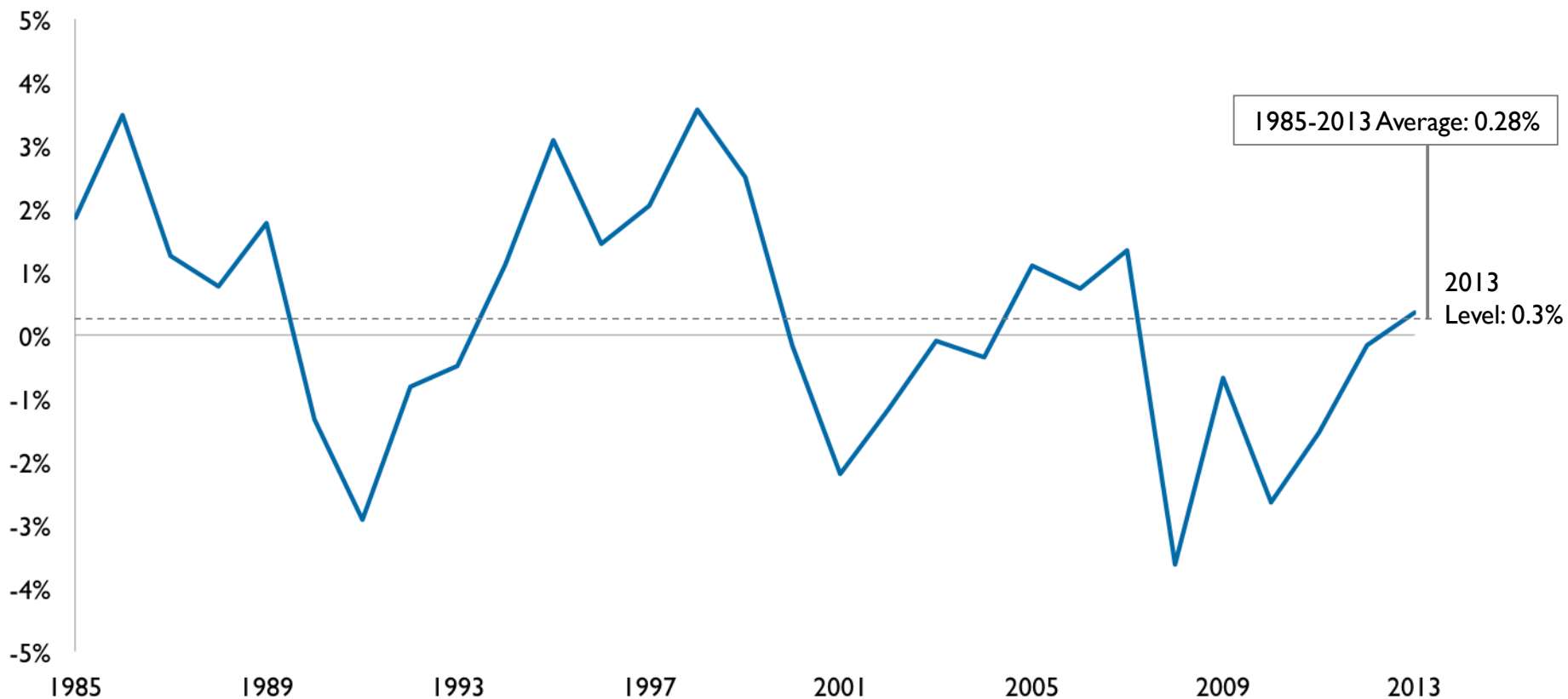
# Nearly Average Growth Projected for Foreseeable Future



Source: Bureau of Economic Analysis, 2015; Blue Chip Economic Indicators, July 10, 2015.

# Real Median Household Income Returning to Normal Levels

Real Median Household Income in the United States  
Annual Percent Change

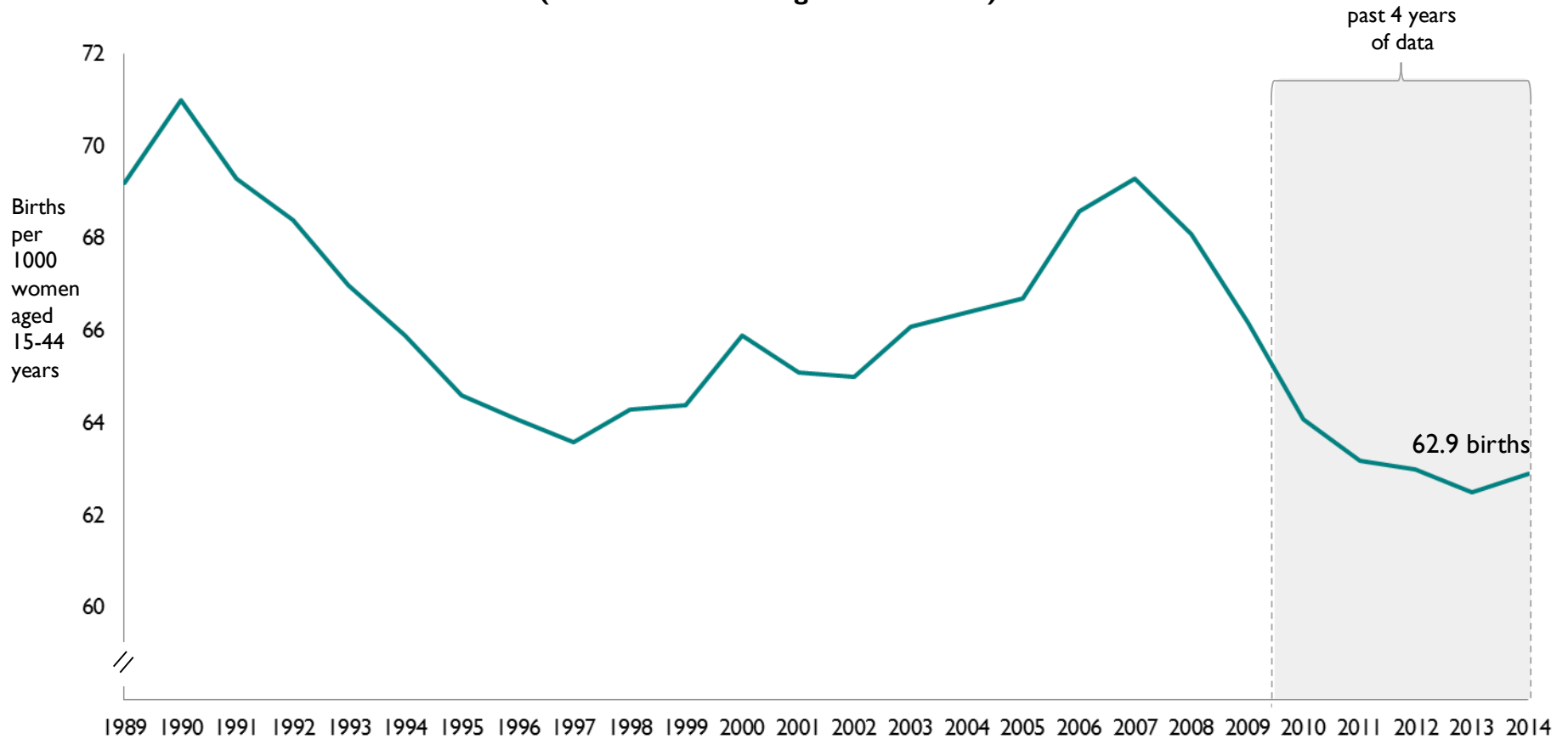


Source: St. Louis Federal Reserve, September 30, 2014.

# Ultimate Sign of Pessimism: Birth Rate Down

*People Deciding to Defer Starting or Expanding a Family*

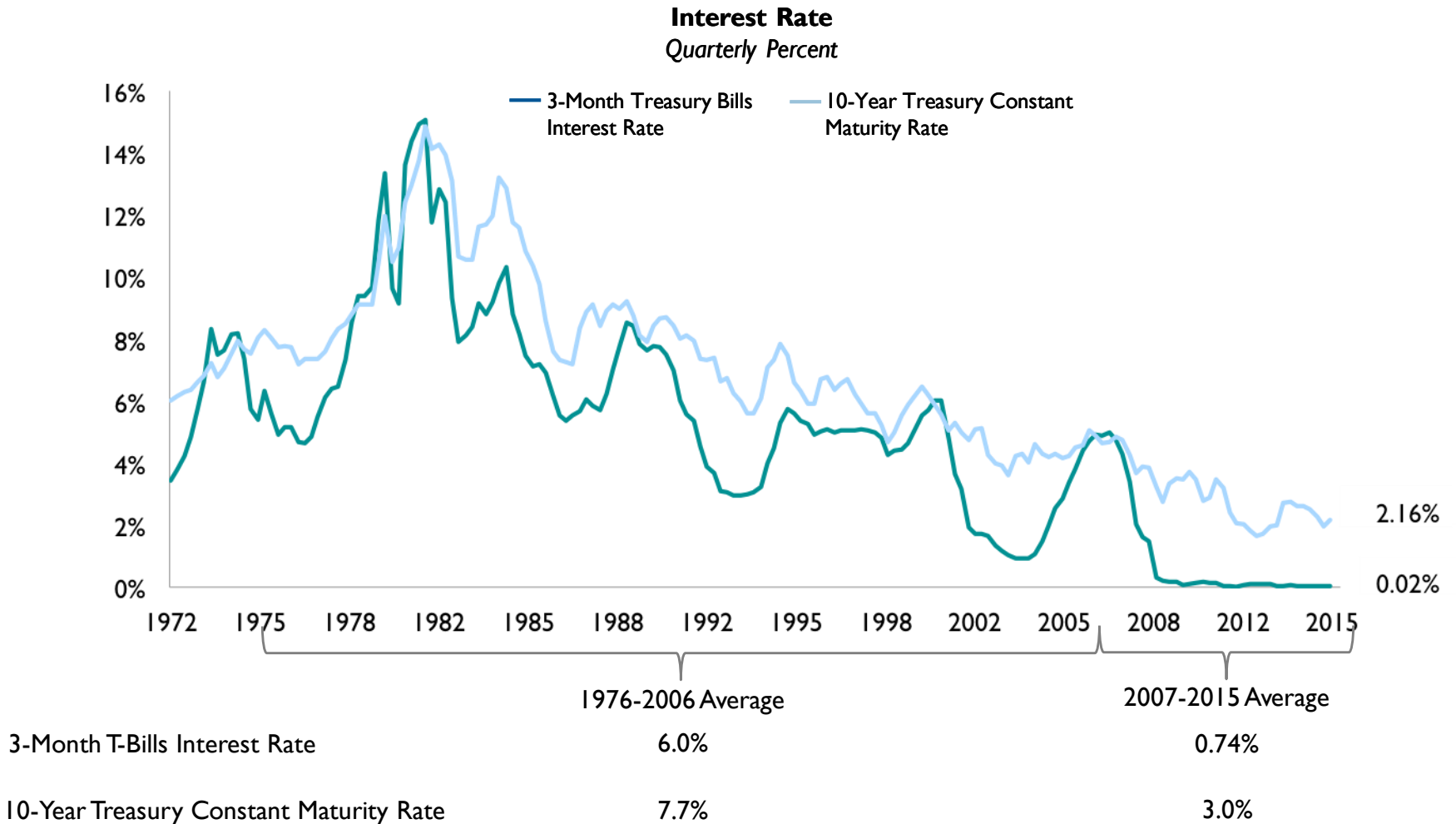
**U.S. General Fertility Rate  
(Births to Women Aged 15-44 Years)**



Source: CDC, National Vital Statistics Report, June 17, 2015

# Interest Rates at Historic Lows

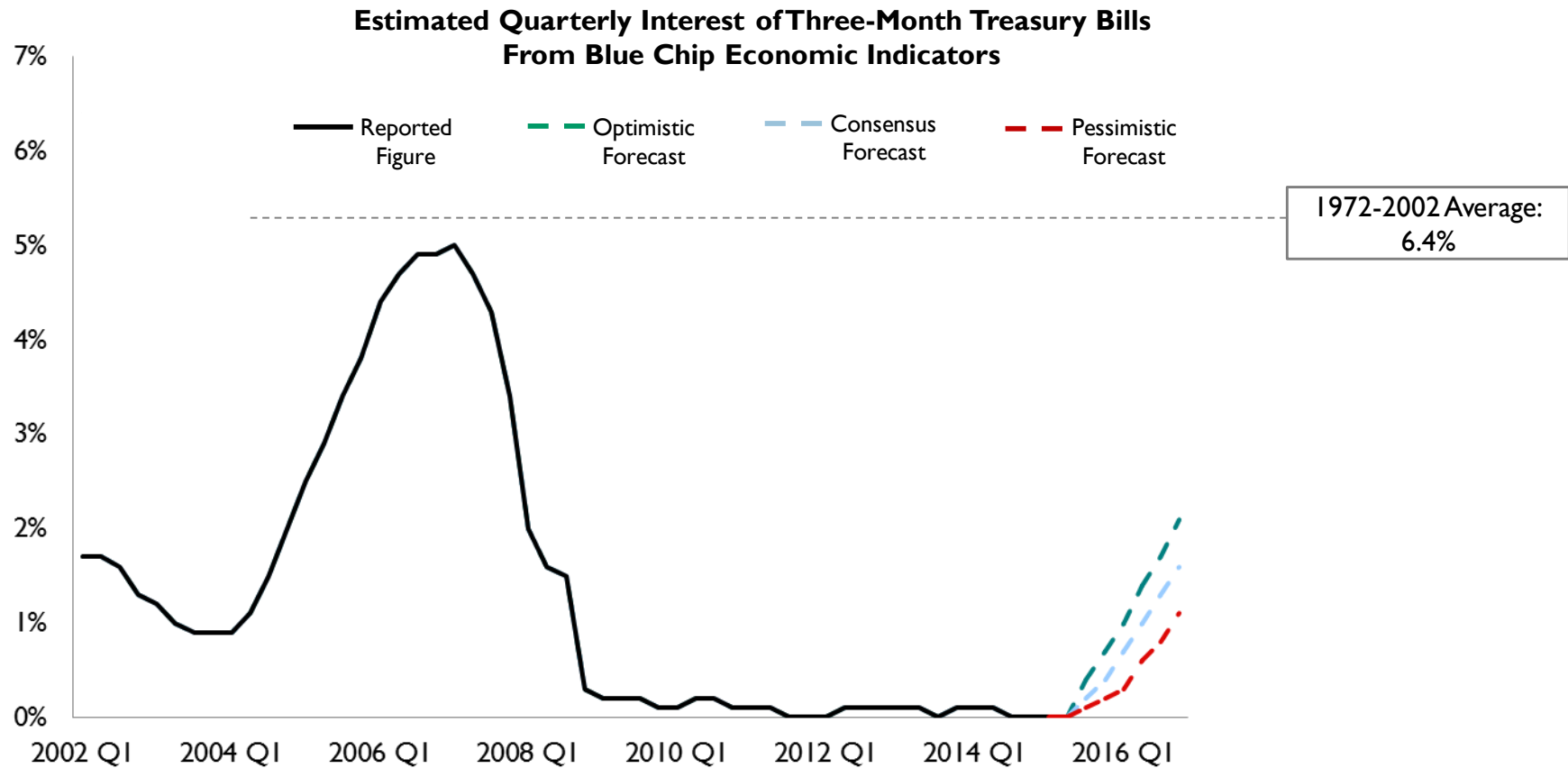
*Savers Punished and Borrowers Rewarded with Low Returns*



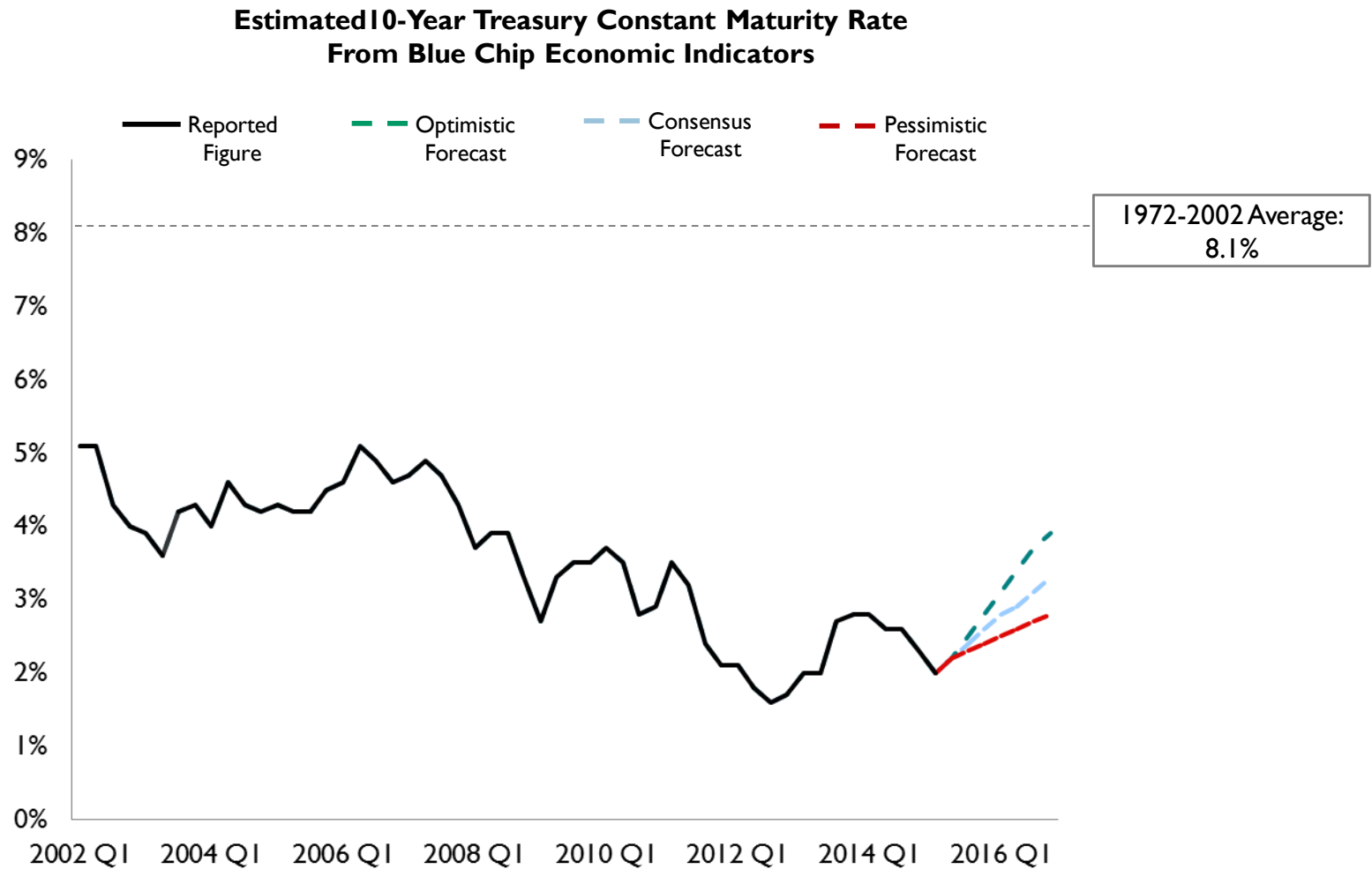
Source: St. Louis Federal Reserve, August 25, 2015.



# Higher Expectations for Interest Rates Reflect Improved Growth Expectations

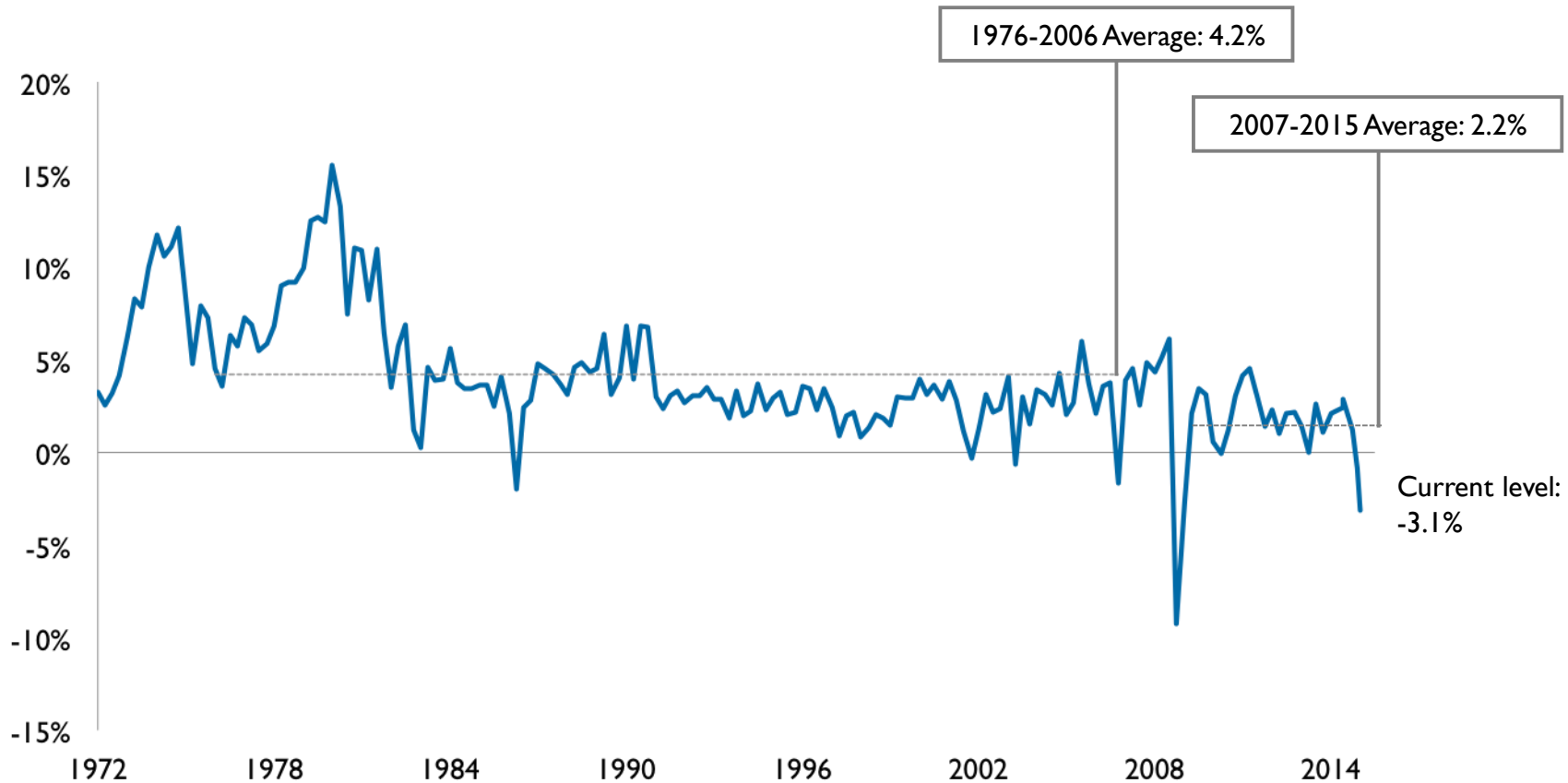


# Higher Expectations for Interest Rates



# So Far Inflation Stays Very Low

Quarterly Percent Change in Consumer Price Index (CPI) for All Urban Consumers

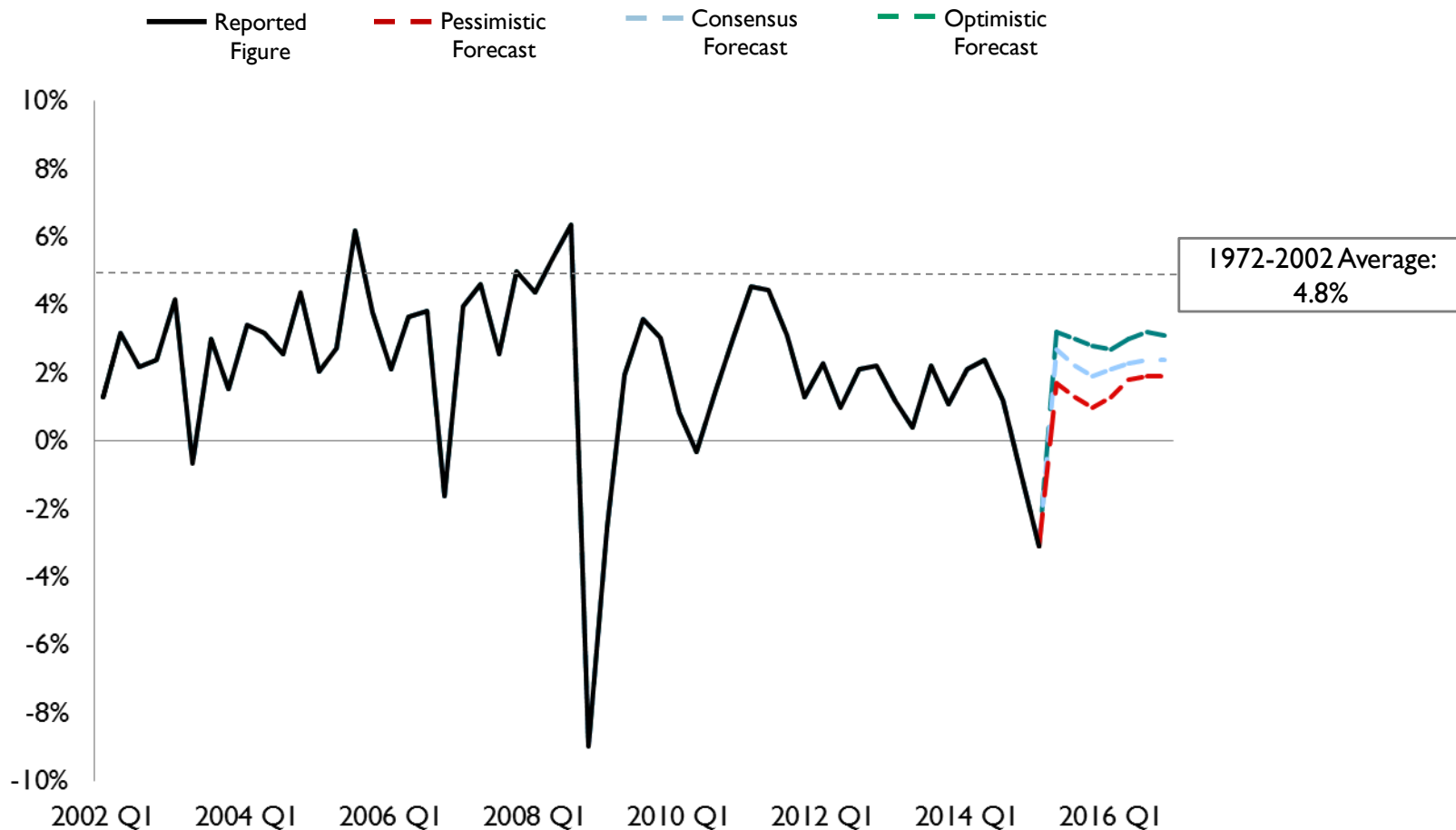


Source: St. Louis Federal Reserve, August 19, 2015.

# Inflation Projected to Stay Low

*No Signs of Reaching Higher Levels*

**Estimated Quarterly CPI for All Urban Consumers  
From Blue Chip Economic Indicators**

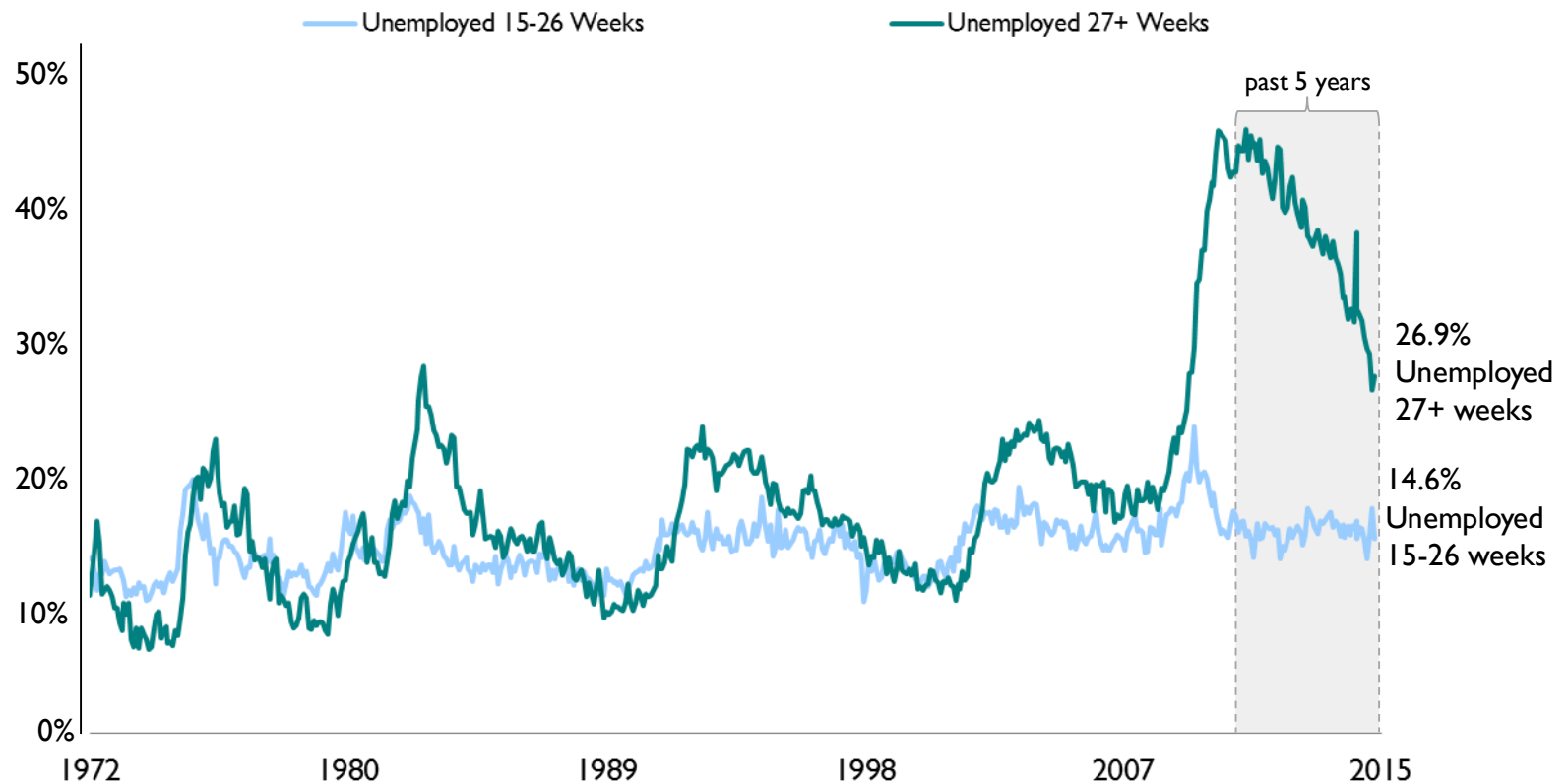


Source: Blue Chip Economic Indicators, July 10, 2015.

# Long-Term Unemployment Rate Gradually Declines

*Almost Half of Unemployed Endure 15+ Weeks Out of Job*

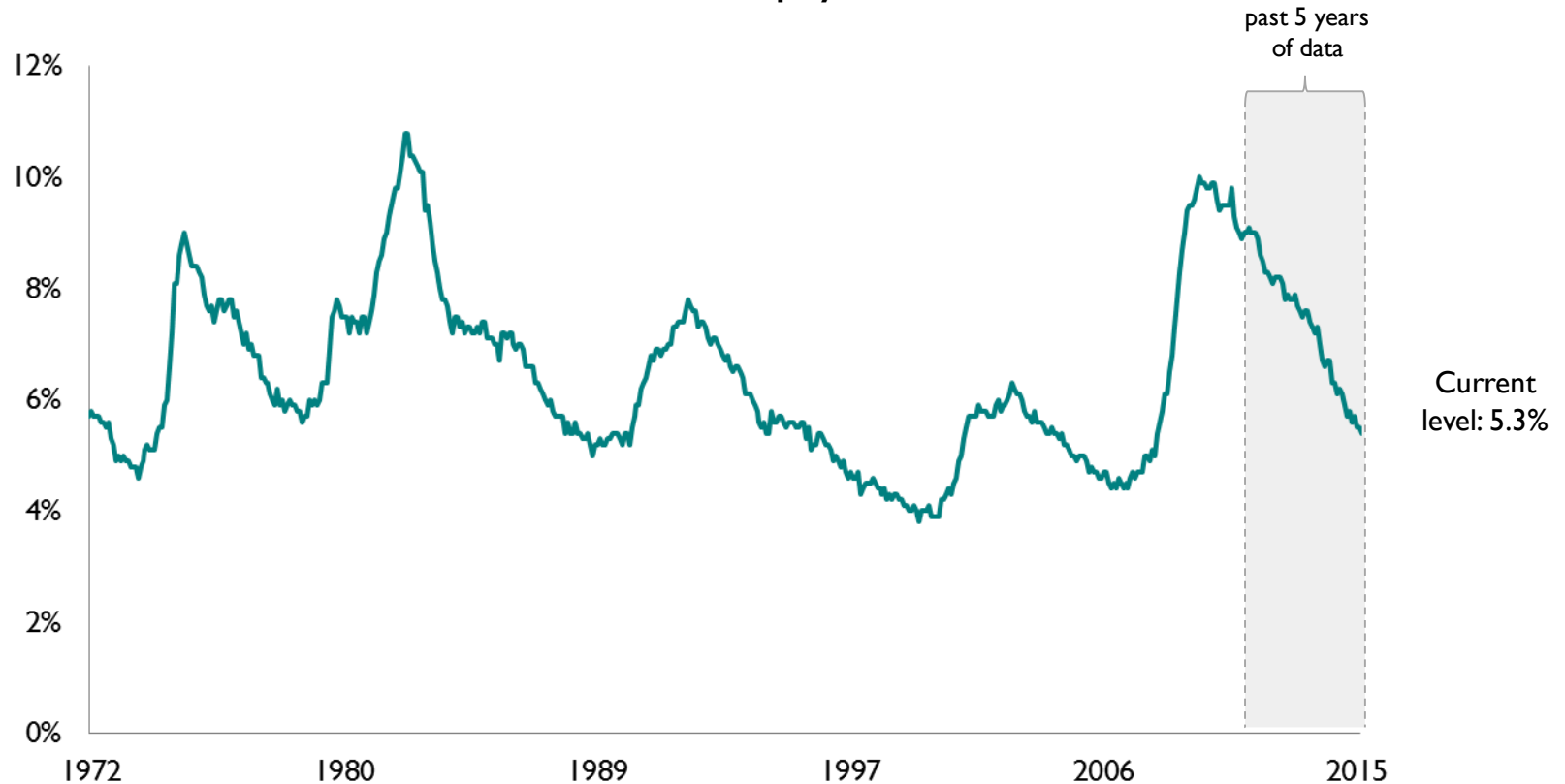
Percentage of Unemployed Population by Duration of Unemployment



# Unemployment Dropping

*Unemployment Direction is Positive*

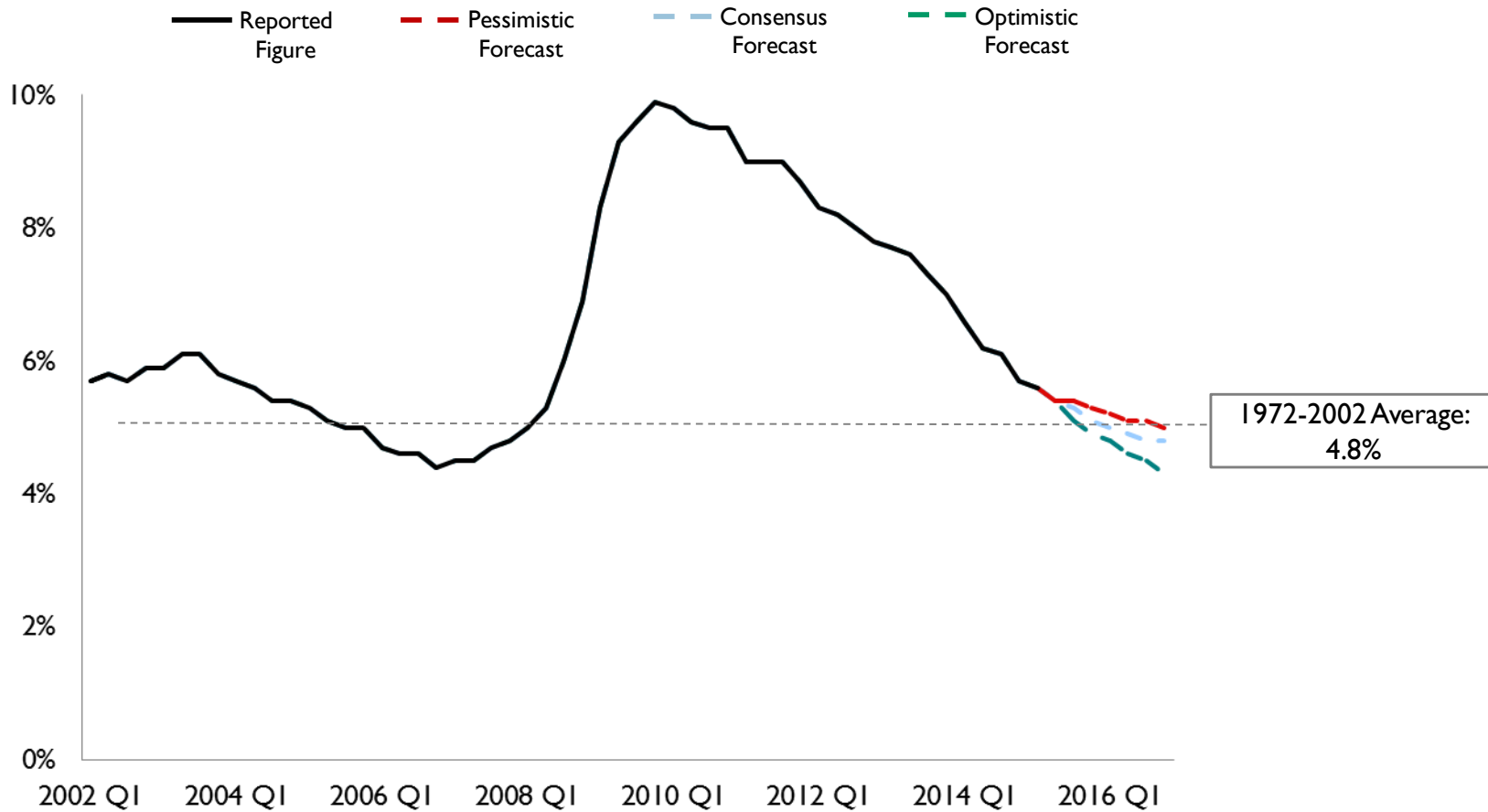
Actual Year-to-Date Unemployment Rates



# Forecasts Predict Continual Decrease in Unemployment

*Forecasted Quarterly Rate Nearing 5%*

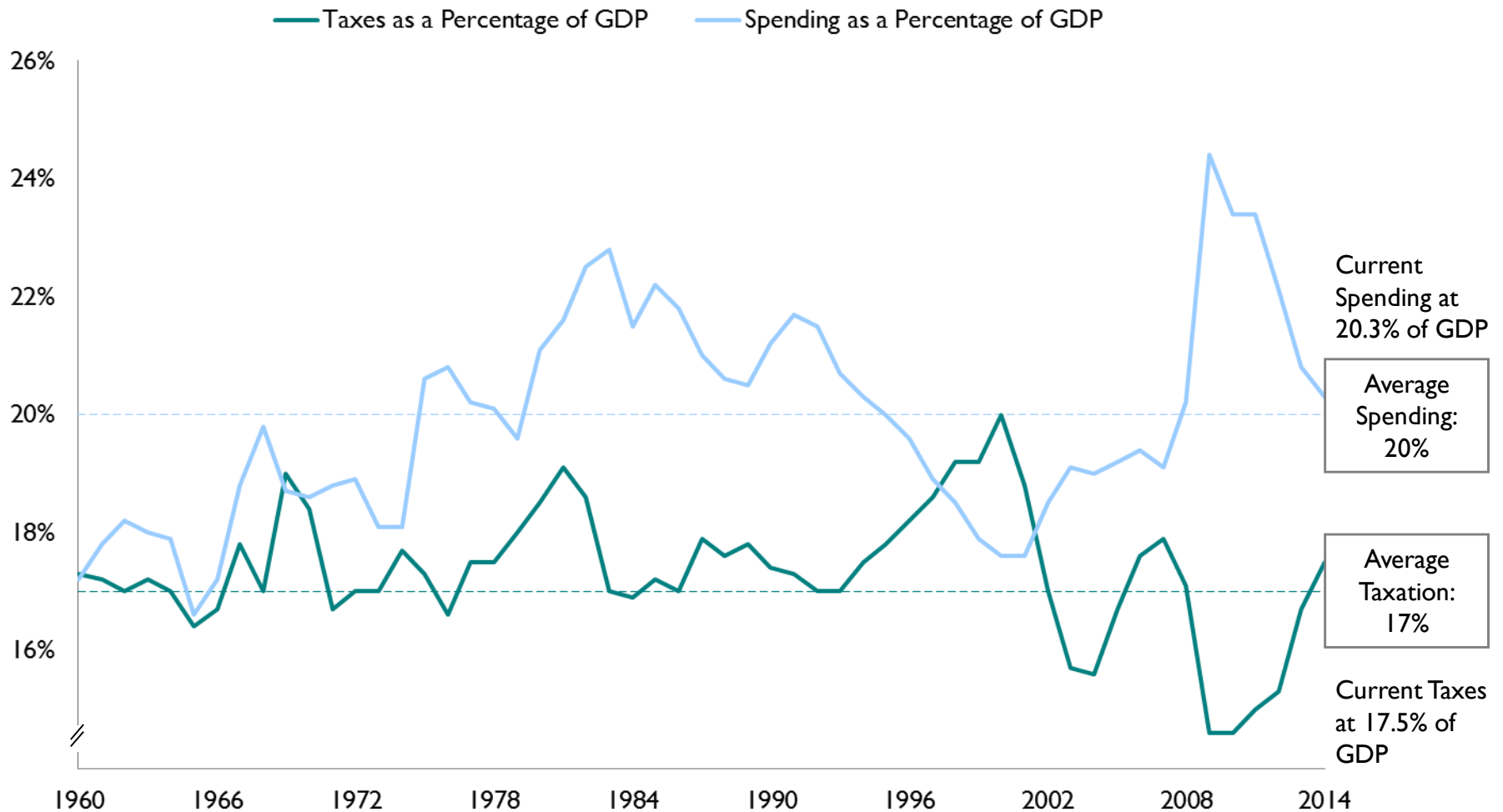
**Estimated Quarterly Unemployment  
From Blue Chip Economic Indicators**



Source: Blue Chip Economic Indicators, July 10, 2015.

# Deficit Problem Stems from Both Increased Spending and Decreased Taxing

Taxes and Spending as Percentage of GDP

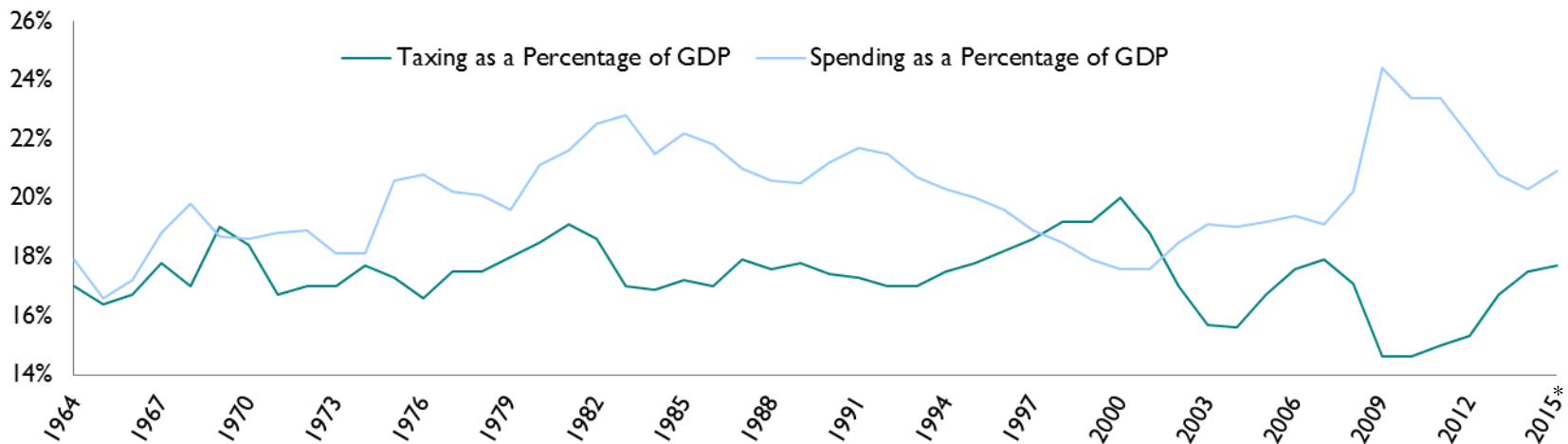


Source: White House Office of Management and Budget, Historical Tables, 2015.

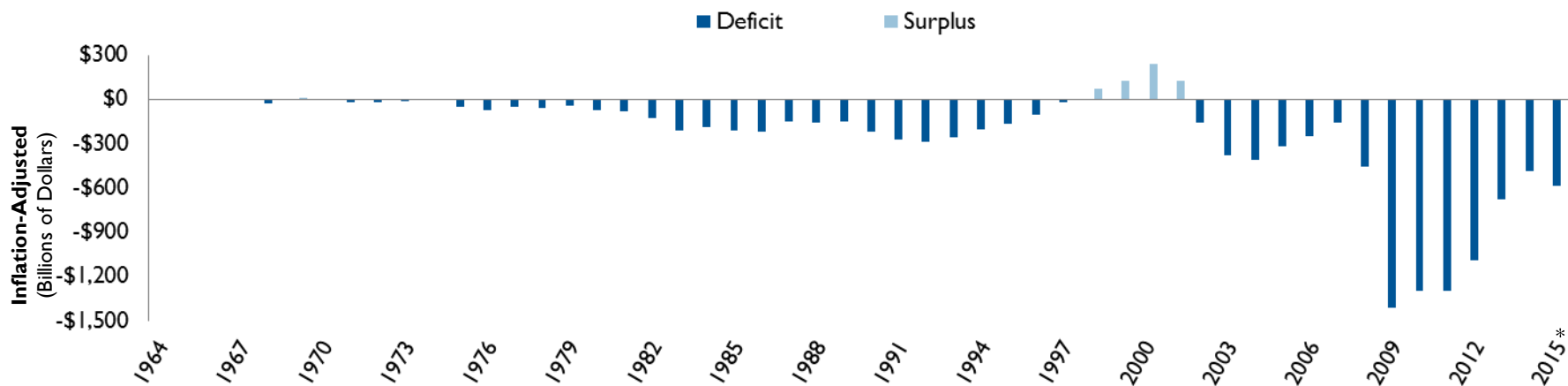


# Gap Between Taxing and Spending Creates Deficit or Surplus

## U.S. Taxing and Spending as Percentage of GDP



## U.S. Deficit and Surplus



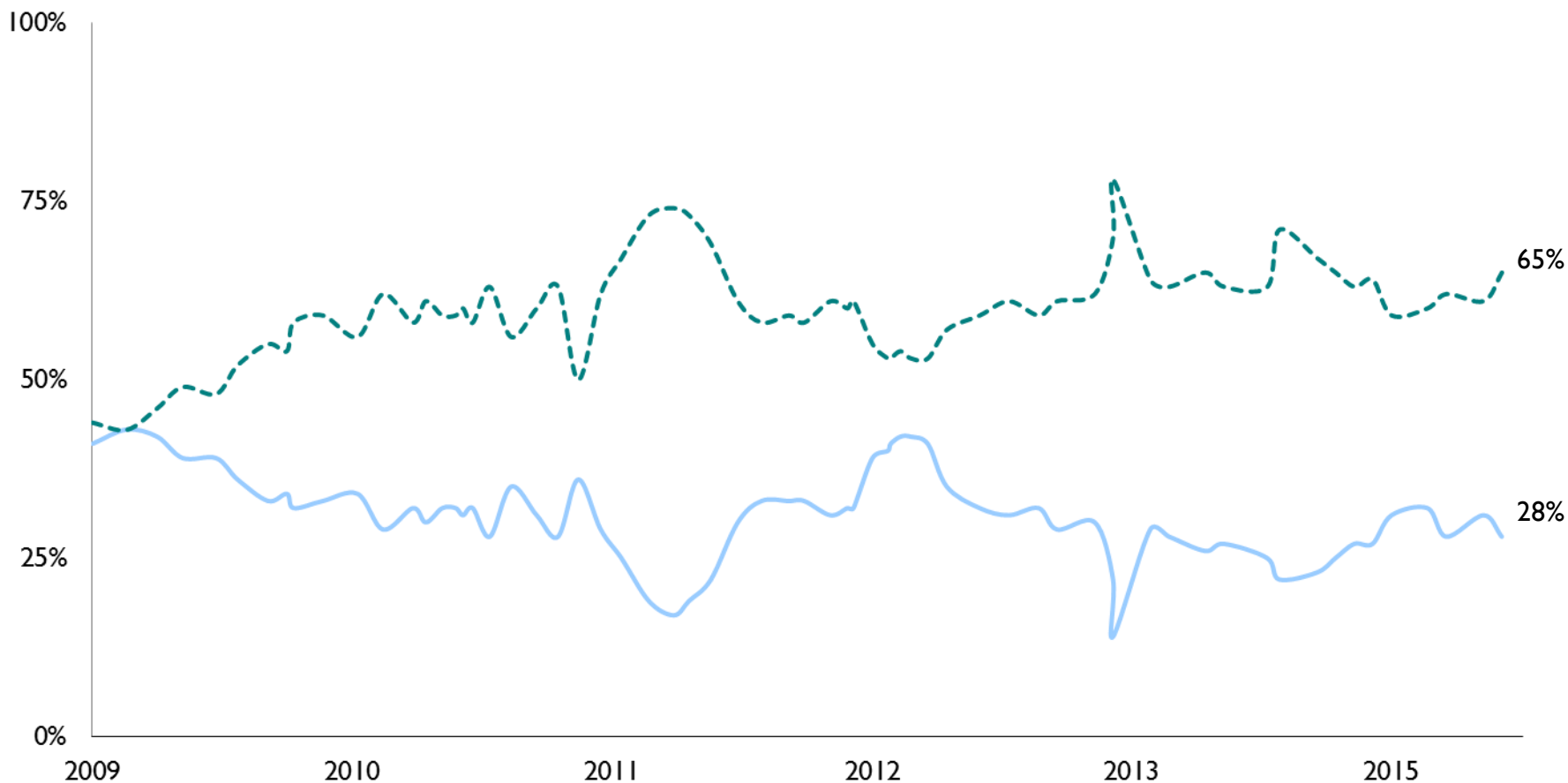
\*Estimate

# Public Still Skeptical On National Outlook

Percentage Responding to Question:  
“All in all, do you think things in the nation are generally headed  
in the right direction, or do you feel things are off on the wrong track?”

— Right Direction

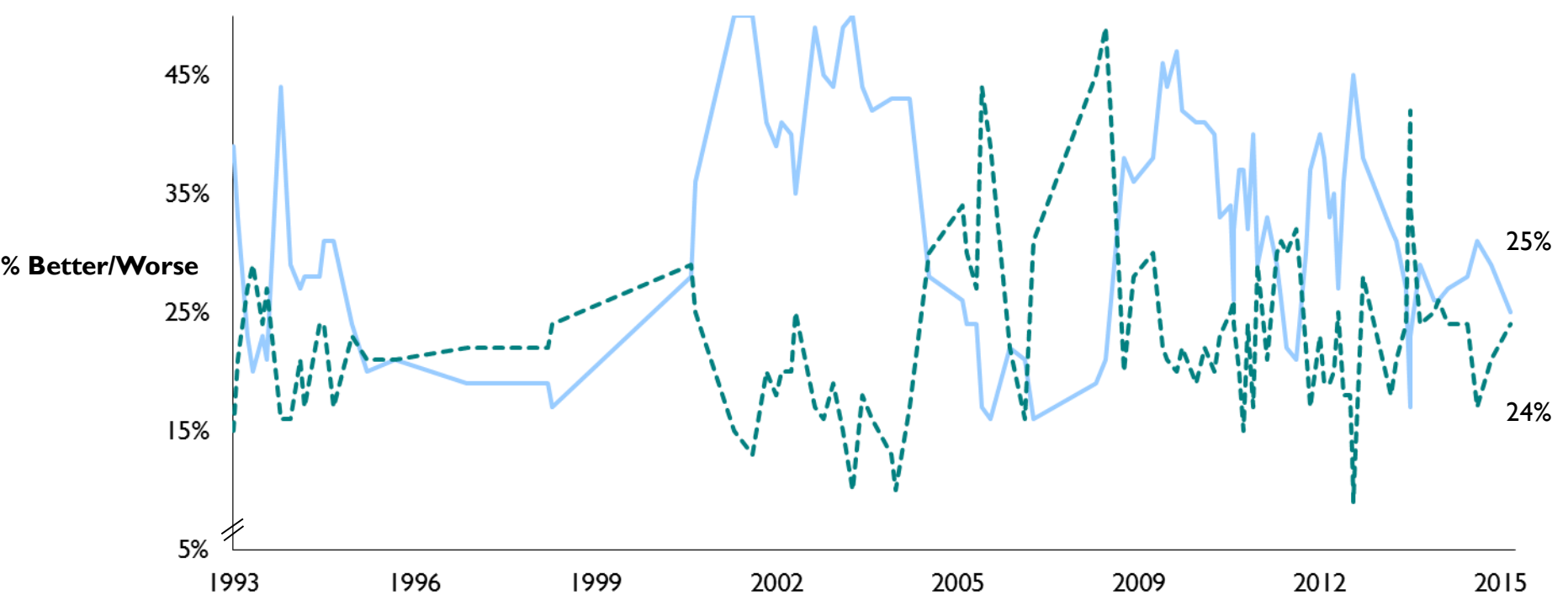
- - - Wrong Track



# Public Outlook for Economy Gradually Improving

Percentage Responding to Question:  
 “During the next twelve months, do you think that the nation’s economy will get better or worse?”\*

— Better    - - - - Worse

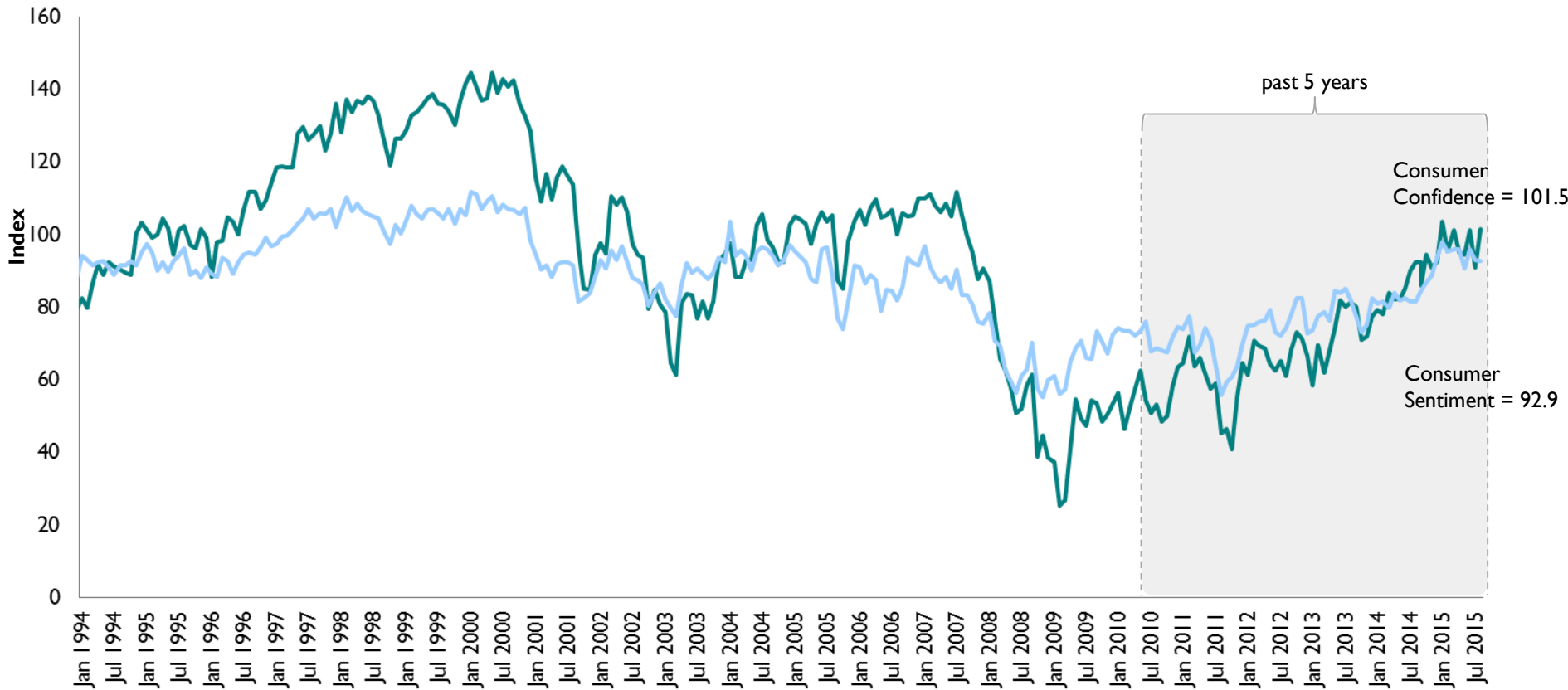


\*N.B.: Prior to April 2001, the question was phrased, “Over the past year...”  
 Source: NBC/WSJ Poll, July 26-30, 2015.

# Consumers Optimism Improving But Still Low by Historical Measure

## Consumer Confidence Index® and Consumer Sentiment

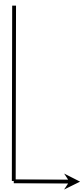
— Conference Board's Consumer Confidence Index® — Michigan/Reuters Consumer Sentiment



Source: Conference Board, August 2015; Thomson Reuters/University of Michigan Surveys of Consumers, August 2015.

# Roadmap for the Presentation

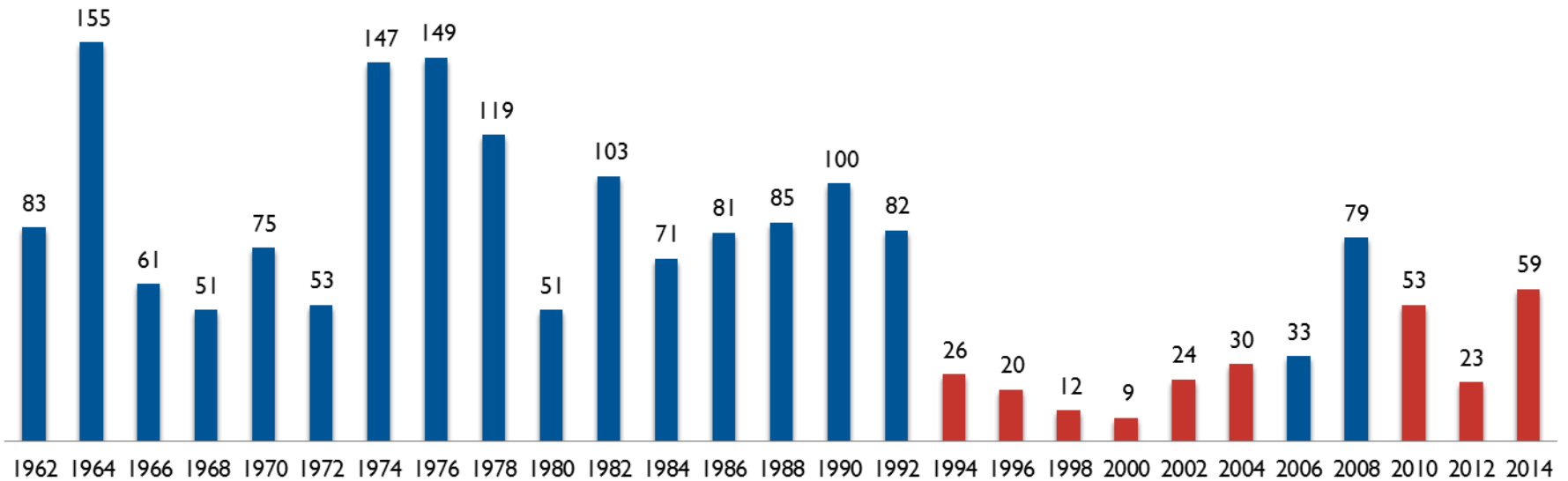
Economic Vital Signs



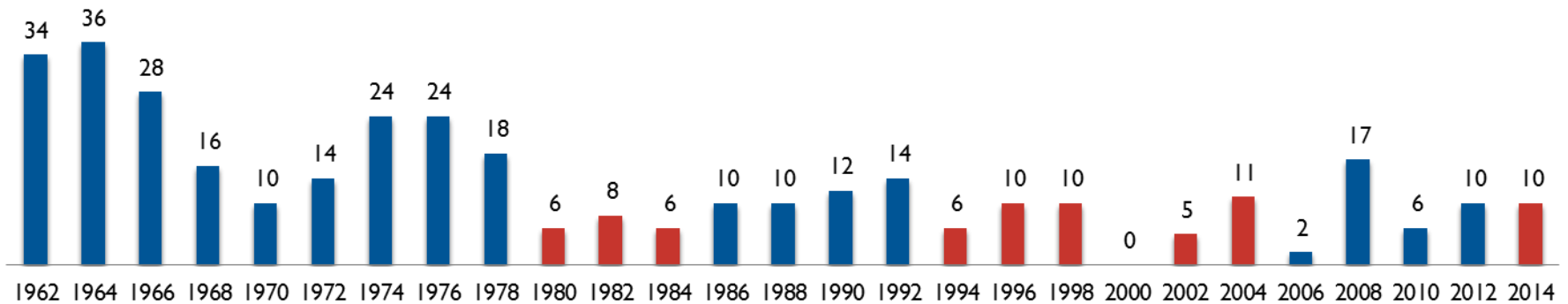
American Politics

# Congressional Partisanship Frames Fiscal Fights

Margin of House Control After Election  
88th – 114<sup>th</sup> Congress

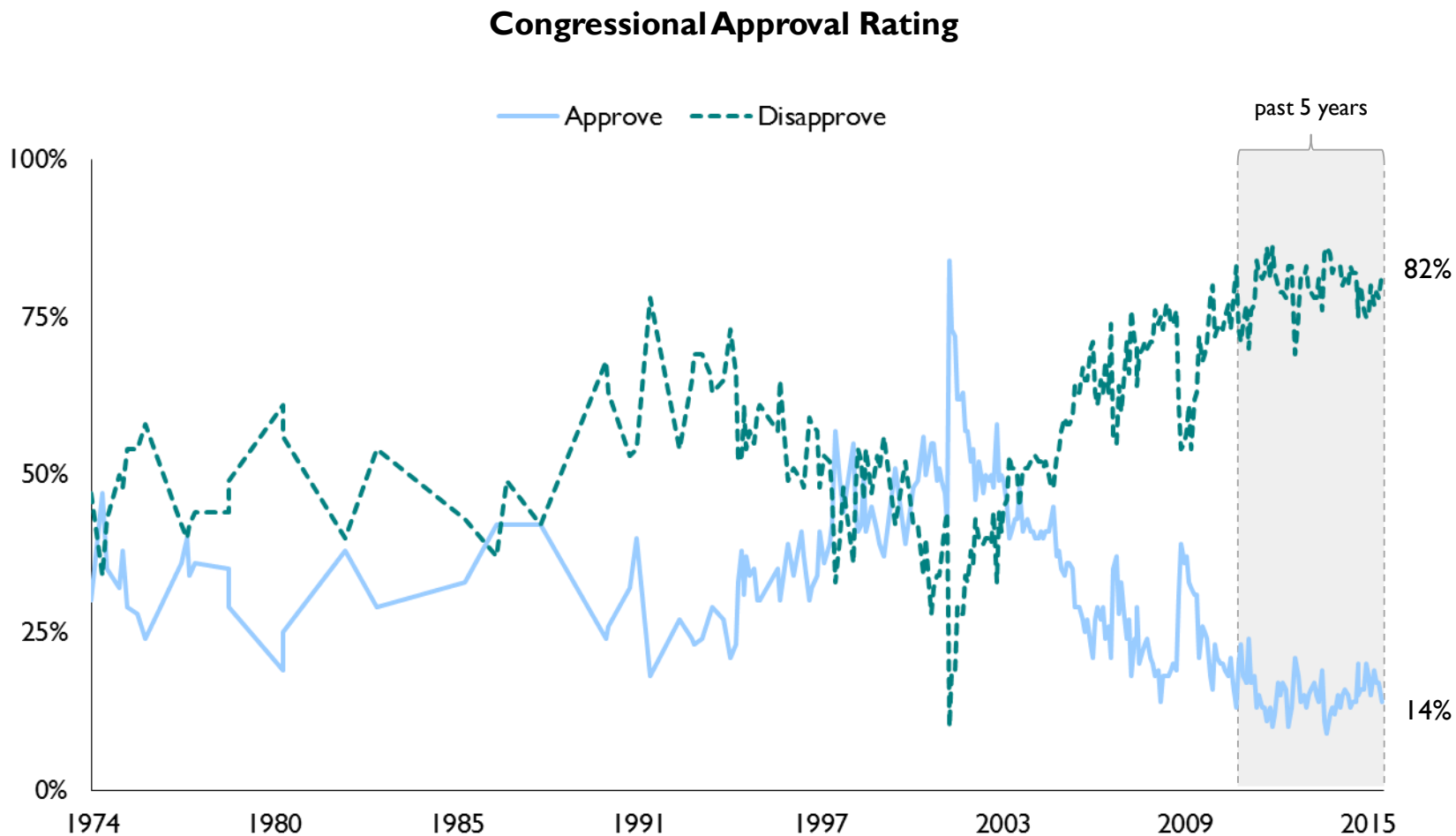


Margin of Senate Control After Election  
88<sup>th</sup> – 114<sup>th</sup> Congress



Source: Senate.gov, 2014; Office of the Clerk of the House of Representatives, 2014; CNN, 2014.

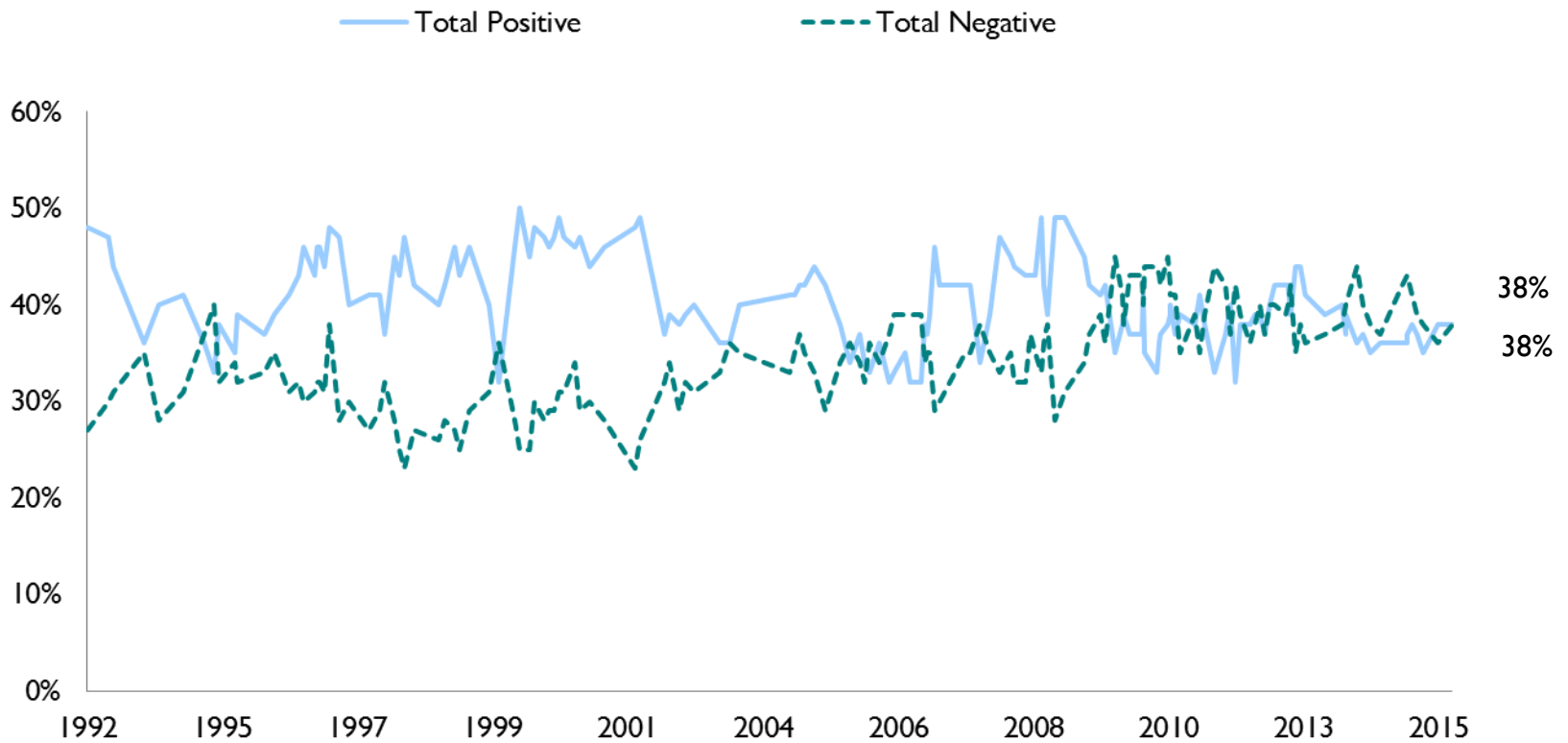
# Congressional Approval Hovers Near Three-Decade Low



Source: Gallup.com, Aug 5-9, 2015.

# Public Opinion Split on Democratic Party

## NBC/WSJ Thermometer: Democratic Party

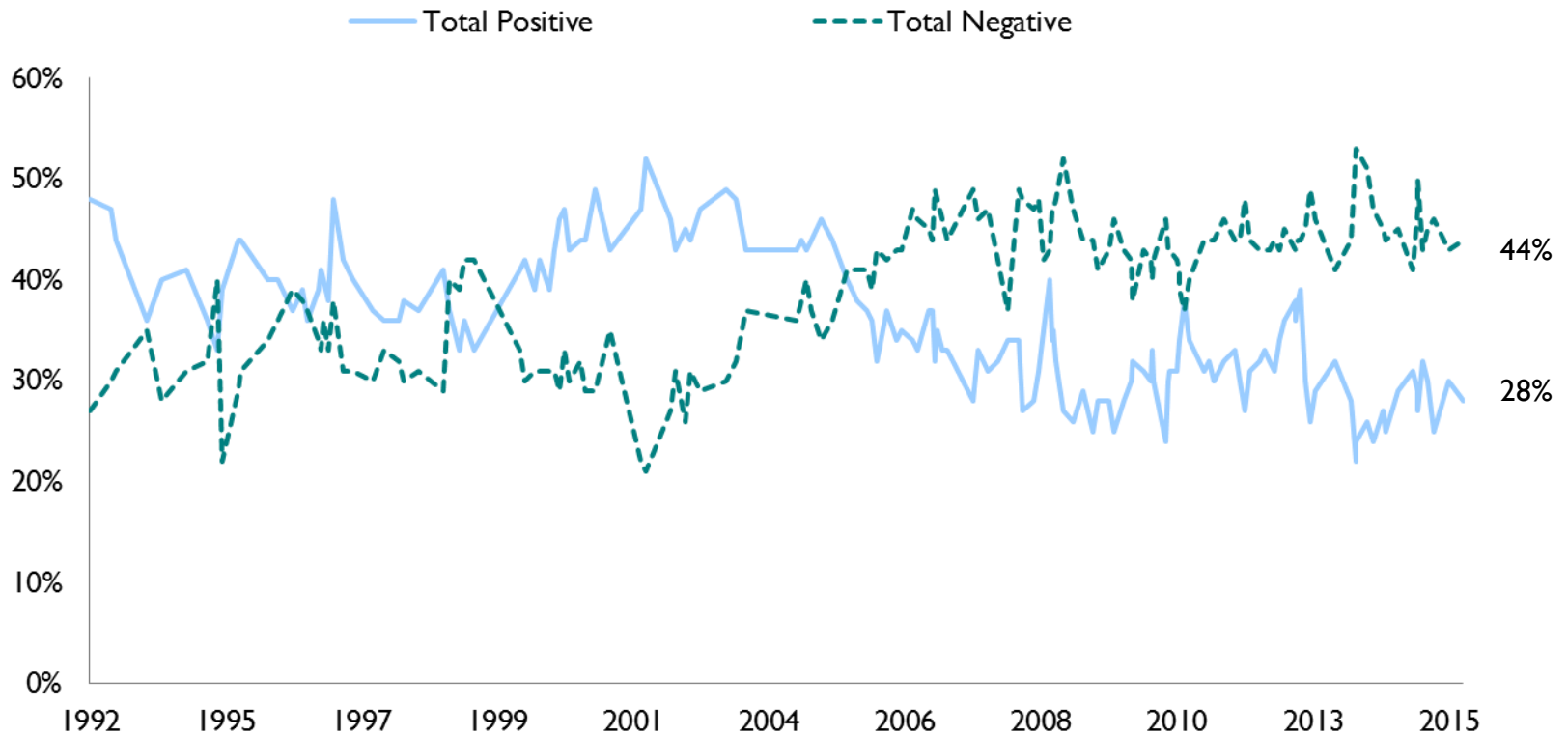


Source: NBC/WSJ Poll, July 26-30, 2015.



# Public Holds Negative Opinion of GOP

NBC/WSJ Thermometer: Republican Party

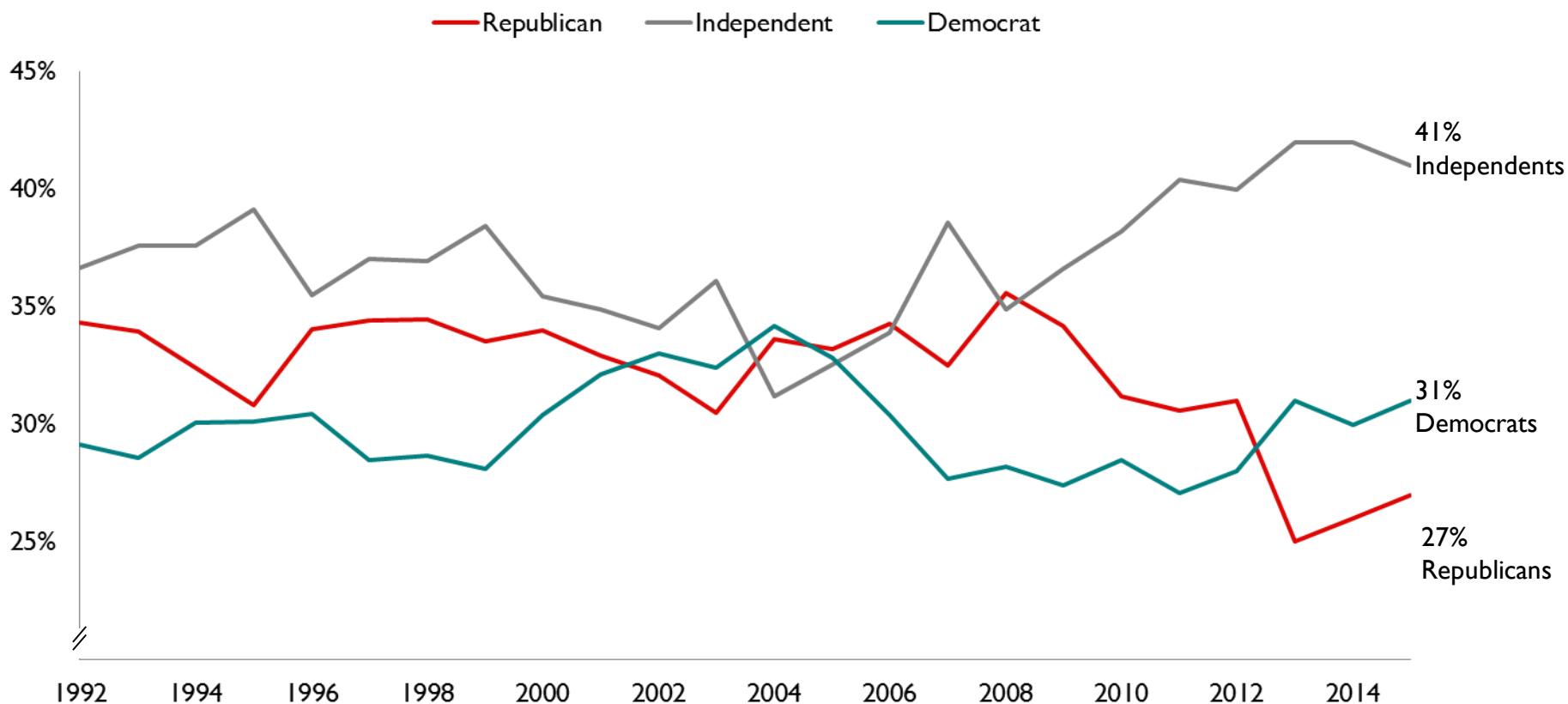


Source: NBC/WSJ Poll, July 26-30, 2015.

# Share of Self-Described Independents Grows at Expense of Both Parties

Gallup's Party Affiliation Survey

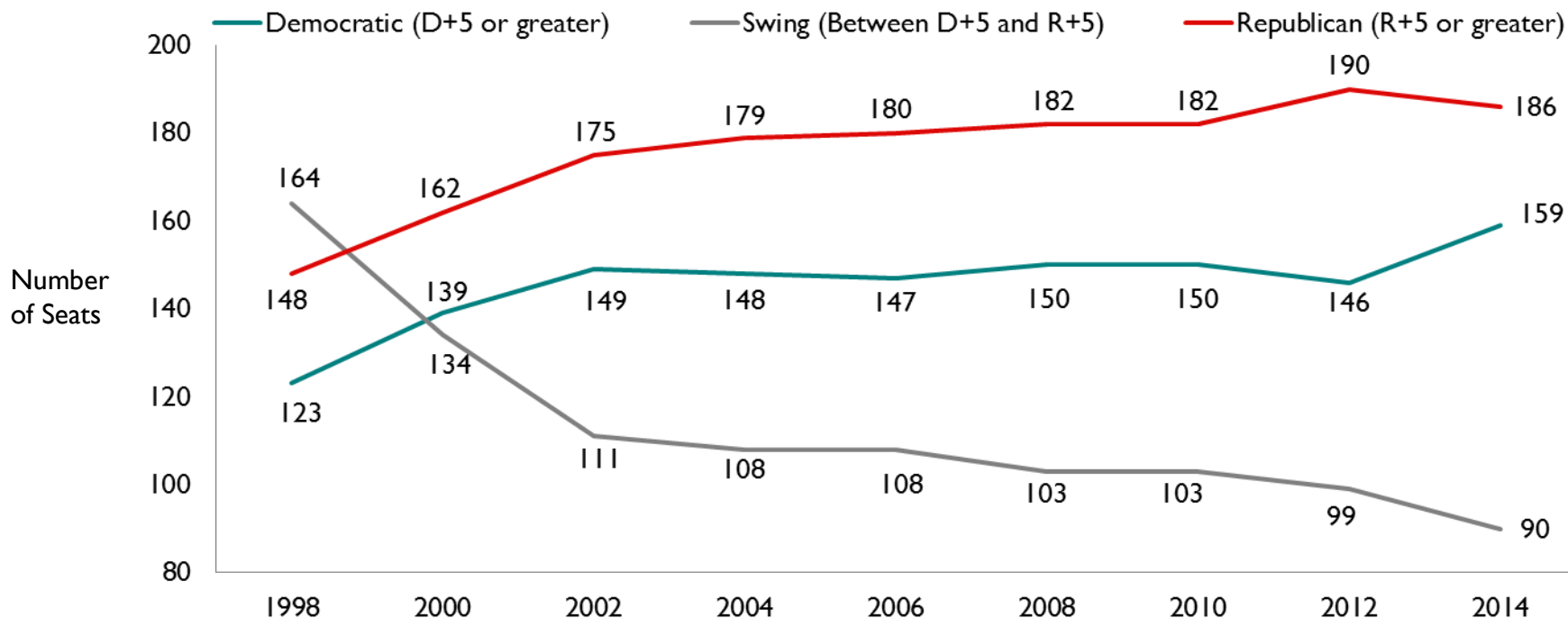
Responding to question: "In politics, as of today, do you consider yourself a Republican, a Democrat, or an independent?"



# In House, Fewer “Swing” Seats, More Polarization

## Cook Political Report Rates the Districts

House Makeup by Cook Partisan Vote Index

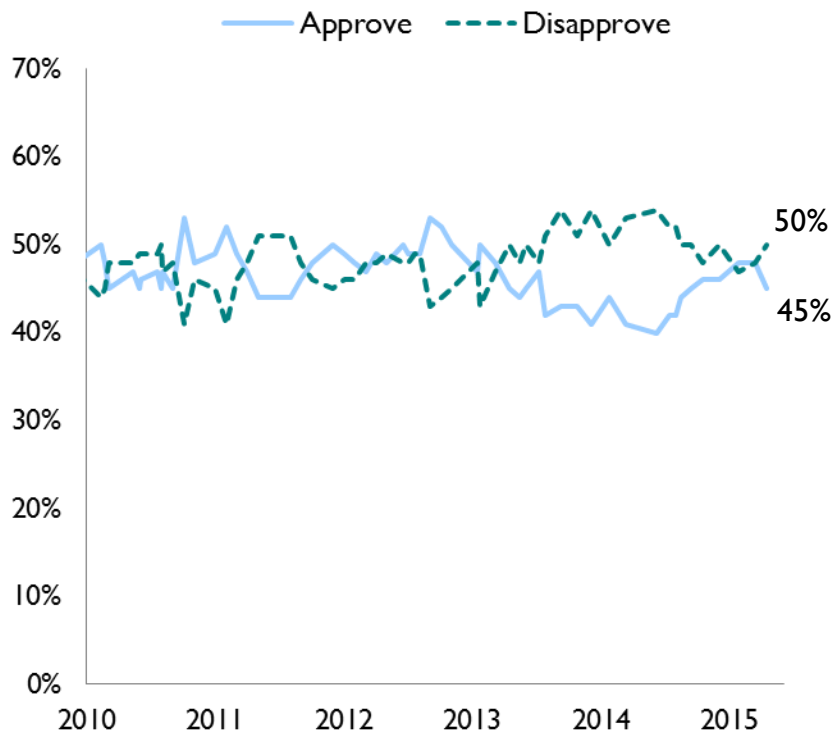


### Analysis

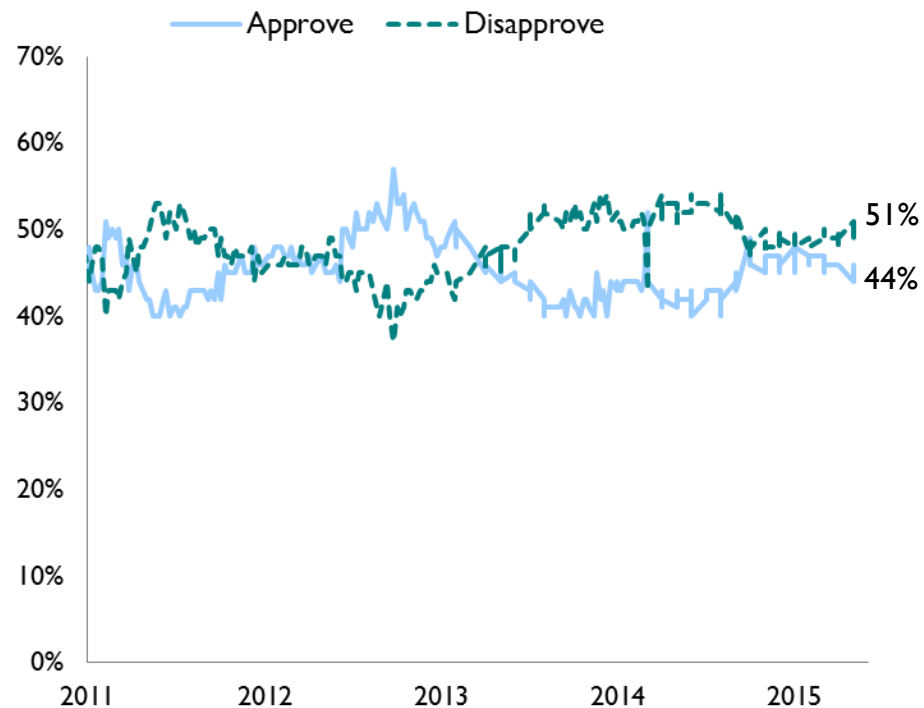
- According to the Cook Partisan Vote Index, the number of swing seats in the House has dropped 45%, from 164 in 1998 to 90 in 2014
- Fewer swing seats means more polarization in Congress
- As district populations grow increasingly liberal or conservative, incumbents fear radical primary challengers

# Public Nearly Split on Obama's Job Approval

**NBC/WSJ's Presidential Job Approval**



**Gallup's Presidential Job Approval**



Source: NBC/WSJ Poll, July 26-29, 2015; Gallup.com, Aug 17-23, 2015.

# NationalJournalMembership