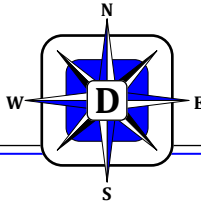


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## NC's 2010 Political Racing Season Kicks Off Monday

### Does the Labor Day Pole Position Increase the Odds of Winning?

**John N. Davis, President**

*John Davis Political Report is an in-depth summary of the key political trends and events impacting North Carolina politics. You may circulate as you wish with attribution. John Davis has followed NC politics for 23 years, serving as President of NCFREE and Editor of the Almanac of North Carolina Politics. He is President of John Davis Consulting, specializing in political research and analysis.*

Labor Day marks the traditional kickoff of the 2009-2010 political racing season, with the victory lane winner earning the right to draw congressional and legislative districts for the next decade. Democrats start the race for partisan advantage in the pole position, the coveted front row, inside lane in motor sports.

Democrats won the pole position by seizing all of North Carolina's political power, including a majority in the state Senate and House, the congressional delegation, and the state Court of Appeals. Democrats own the keys to the governor's mansion, and have an 8 to 2 advantage on the North Carolina Council of State. The only majority held by Republicans in state government is their 4 to 3 advantage on the "nonpartisan" (wink-wink) state Supreme Court. But does the pole position increase the odds of winning?

The greatest *advantage* of having almost all of the political power is that you get almost all of the political money. Money, most of which is contributed by the affluent, matters a whole lot in political racing. The candidate with the most money wins 87% of the time.

However, there is growing speculation that we are seeing a decline in the influence of affluence in American politics due to the Internet and the recession. Of the \$745 million raised by Barack Obama in 2008, \$500 million was raised on the Internet, with 6 million donations in increments of \$100 or less. The have-nots contributed more than the haves.

The declining influence of affluence will also be apparent in the 2009-2010 election cycle because there are fewer contributors financially able to write big checks. Americans have reportedly lost \$3 trillion in home equity and \$7 trillion in shareholder wealth. We are

seeing an additional 2.4 million new foreclosures this year, and unemployment is expected to reach 10% by year's end.<sup>1</sup> Don't count on contributions from these folks.

The greatest *disadvantage* of having almost all of the political power is that you get almost all of the blame for everything bad that happens. As of the last week of August, Gallup's national poll shows Obama's job approval in a free fall since his January high of 69%, down to 50% at summer's end.<sup>2</sup> Two major concerns are driving the growing loss of confidence in the president: his handling of the economic crisis and healthcare reform.

According to mid-August Rasmussen Reports,<sup>3</sup> more Americans trust Republicans on the healthcare issue than Democrats by 44% to 41%, with Democrats way down from their 10-point lead on the issue in June. This time a year ago, Democrats led Republicans on every major issue of the day except terrorism. Today, according to Rasmussen, voters prefer Republicans over Democrats on 8 out of the top 10 major issues of the day, including education and social security, issues in which Democrats have long enjoyed a public opinion advantage.

Further evidence that the Democrats may have a tough race ahead of them in 2010 is the fact that for the first time in two years, Republicans lead Democrats in the "generic congressional ballot," with about 42% of Americans saying they are more likely to vote Republican in next year's congressional elections and about 38% more likely to vote for the Democrat. This time a year ago, Democrats had a 10 point advantage over Republicans on the same generic congressional ballot.

Democrats in North Carolina are facing a litany of grievances that they will have to defend throughout the race, like their handling of the state budget crisis, which includes raising taxes by over \$1 billion and making unpopular budget cuts like the loss of thousands of teachers and state employees and the closing of prisons, cuts that were deemed necessary by the same budget writers who approved a \$25 million fishing pier. Can't you hear that ad?

Democrats will also have to defend the out-of-control growth of high-paying administrative jobs in the UNC system, jobs characterized by system President Erskine Bowles as "an absolute embarrassment." They are also facing voters angry about the misuse of political power, like Mary Easley's \$170,000 salary scandal that has led to the resignation of the Chancellor of NC State University, along with the provost and the chairman of the Board of Trustees. That scandal now includes allegations that State Auditor Beth Woods withheld an audit critical of Easley's compensation package.

Former Governor Mike Easley, whose actions are under scrutiny by a federal grand jury, faces a growing list of allegations of a breach of the public trust that now include the mysterious disappearance of flight records in the hands of the North Carolina Highway

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<sup>1</sup> The Financial Forecast Center; <http://forecasts.org/unemploy.htm>

<sup>2</sup> Gallup Poll, 8/26/2009

<sup>3</sup> Rasmussen Poll, 8/13/2009

Patrol. A federal grand jury has been gathering evidence for months. Surely indictments will follow.

This summer, we witnessed a spontaneous combustion among paycheck-to-paycheck voters at Town Hall meetings, voters shouting members of congress into a corner with in-your-face accusations of incompetence. Throughout the state and nation self-made challengers are stirring about, talking to family and friends and political insiders about exploiting this era of voter ire ... an era in which voters are more likely to pull for the underdogs running on shoestring budgets and aided by unemployed volunteers using the Internet to organize and get out their messages ... underdogs raising what money they can from many facing financial hardship but mad enough to write a small check to one of the little guys who will take a stand for have-nots.

Granted, the Democrats in North Carolina have the pole position at the Labor Day kickoff of the 2009-2010 political racing season. But, does the pole position increase the odds of winning? A recent study of the 2,102 NASCAR races held between 1949 and 2005, shows that "the marginal probability that the pole-sitter wins a race has been steadily declining over time."<sup>4</sup> Only 480 of the pole-sitters won those 2,102 races.

Pole-sitters beware.

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<sup>4</sup> The Value of the Pole: Evidence from NASCAR, Craig Depken, II, Department of Economics, Belk School of Business, UNC-Charlotte; May 2008