

Debt Ceiling Special Edition

In preparation for tomorrow's meeting between President Biden and Congressional leaders, we have put together a special edition of Discussion Points with key findings from a recent survey for Winning the Issues, conducted April 28-30 after passage of the House bill. The successful vote on the House bill significantly changed the strategic situation for both Republicans and the White House. As described by Jim Tankersley in the New York Times, *"This week's vote by House Republicans to couple deep spending cuts with an agreement to raise the debt limit for one year **has put President Biden on the defensive...**"*

1.) Similar to what we saw in March, 48% of voters believe the President should negotiate with Congressional leaders while only 14% support the President in refusing to negotiate and insisting on a "clean increase" without conditions). 25% believe that the President should negotiate only after Congressional leaders have put forward their plan. Prior to the House vote, that 25% were more aligned with the clean increase, but by passing the bill, Republicans have addressed that point and now much of that voter group will likely move toward the negotiate position.

2.) The Republican House bill as passed is initially favored by 52% and opposed by 29%. Republicans supported the bill 66-19 and Independents supported 43-30, but are under 50% and with 27% that don't know. In the survey, the description of the House bill was as follows:

Recently, the House passed a bill to raise the nation's debt limit. The bill includes the following provisions:

- *Return discretionary spending to Fiscal Year 2022 levels*
- *Limit the growth of spending to 1 percent per year*
- *Return unspent COVID funds to the Treasury*
- *Repeal the addition of 87,000 agents to the IRS*
- *End green subsidies for companies*
- *Prohibit one-time student debt cancellation*
- *Restore the work requirement for federal aid programs*

This is a positive starting point for the bill, but this is just the beginning of the discourse to define it as Democrats are trying to undermine the bill.

3.) Views of the economy continue to erode, and they see Biden's policies as having made inflation worse.

- The President's economic job approval is 37-54 approve-disapprove (39-53 in March), with his economic policies being seen as incorrect more than correct (32-51 correct-incorrect).
- Voters continue to make the connection between government policies under President Biden and Congressional Democrats with inflation and price increases, as more than half the electorate believes *government policies under President Biden and Democrats in Congress have caused inflation to increase and prices to go up.* (54-33 believe-do not believe).
- 61% of voters see inflation getting worse, up from 57% in March.
- Direction of economy is 2:1 wrong track (29-59 right direction-wrong track) with more than half the country (55%) believing the US is already in a recession.

4.) Republicans lead in confidence to handle key economic issues: (national debt 46-35 R-D; inflation, 49-33; economy, 48-37; jobs, 48-39). Republicans have credibility that needs to be carefully maintained.

5.) Voters clearly see the connection between inflation and the debt, but are also concerned about the economic consequences of not raising the debt ceiling. Voters tend to believe *increasing federal spending contributes to inflation* (64-21 believe-do not believe) and *increasing the national debt contributes to inflation* (55-26). But there are worries about not raising the debt ceiling. Voters believe by a 57-23 margin that *If Congress refuses to give the United States the ability to pay its bills on time, the consequences for the economy could be catastrophic.*

Have a good week.

David & Myra