

## As Obama and McCain Take Center Stage, So Do the Issues

*Economy and Gas Prices Continue to Dominate Voter Concerns  
The Race is on, but More Work Needs to be Done on Both Sides of the Aisle*

Barack Obama has replaced one opponent with another following the conclusion of a marathon Democratic contest that began five months ago in Iowa. Now that Obama has locked in the Democratic nomination, the stage is set for what is expected to be a contentious general election between two candidates that are offering sharply contrasting policy solutions. This month's Diageo/Hotline poll of 806 registered voters points to a tight race, with Obama leading McCain by two percentage points in a head-to-head competition (44% to 42%). Their strikingly different platforms are already reflected in a highly polarized electorate, with all but 14% of U.S. voters having made a choice between the two candidates. Both candidates are expected to sharpen their rhetoric, especially in regards to economic issues, which continue to dominate voter concerns in this poll. Early contours of the battle lines have already been drawn. McCain will continue to accuse his opponent of being an inexperienced tax-and-spend liberal, who is out of touch with Middle America, while Obama will depict McCain as four more years of the Bush administration, the unpopularity of which is demonstrated by the number of respondents who say that the country is on the wrong track (76%). While leadership style and personality will continue to remain significant determinants for voters and personal attacks are unlikely to abate, this general election season promises to be one that is exceedingly issue-centric.

One would expect the Iraq War to be ranked high in relevance, but it continues to decline in importance in voters' minds, with only 9% citing opposition to the war as the most significant issue facing America, down from 11% in April/May and 13% in March. Rather, ongoing fears of a recession continue to dominate the political landscape, with 33% of respondents indicating that the economy is their top concern. The two candidates, who have vastly different policies on tax policy, gas prices, and government spending, have already begun trading charges over whose policies will more effectively turn the nation's ailing economy around.

The importance of the economy in shaping voter sentiment becomes all the more striking when one takes into consideration an interrelated issue that has come to dominate the political and economic discourse in equal measure: gas prices. Concern over gas prices, the second most important issue for Americans (18%) has risen faster than gas prices themselves (almost five times since March, when only 4% of respondents cited it as a top concern). Gas prices have not played such a significant role on the political stage since the 1980 presidential election between incumbent Jimmy Carter and President-elect Ronald Reagan, following the 1979 energy crisis.

As they did in 1980, today's voters are predisposed to blame a poor economy on the party that is in power. McCain proposes a federal gas tax-cut, while Obama opposes the idea and dismisses it as a political gimmick, a view he claims is in line with that of most economists. Of the respondents who ranked the economy as their number one issue, 55% report that they would vote for Obama, and 32% for McCain. It is unclear whether public concern will be moved by the promise of McCain's tax-cutting message and a promise of temporary relief at the gas pump.

It will be in McCain's best interest to distance his economic policies from those of the Bush administration, and convince the public that he offers a fresh set of solutions, as only 21% approve of the way that President Bush is handling the economy. With overall faith in the Republican Party to best handle the economy at 28% (compared to the Democratic Party at 54%) public opinion surrounding the economic climate will make it more difficult for McCain to convince voters that he is better positioned to manage this issue. 43% of respondents believe Obama would do the best job handling the economy, with McCain

trailing at 37%. That said, the American people have more faith in McCain himself to handle the economy than the Republican Party, reflecting his personal appeal and his ability to stray from party orthodoxy. Also, the fact that 39% of respondents who say they plan to vote for McCain also disapprove of the way that Bush is handling his presidency is indicative of McCain's ability to cast himself as a maverick Republican, despite the anchor of President Bush and the Republican Party. Nevertheless, public opinion that has been shaped by the current dismal economic climate is certain to favor Obama over McCain.

To win, Obama is going to have to do more than merely convince voters that he is a better candidate to deal with the economy. He is also going to have to convince both Independents and Senator Clinton's devoted supporters that he is the next best thing. McCain has been aggressively targeting Independents, and his relative strength in this demographic is demonstrated in the Diageo/*Hotline* poll. 42% of Independents say they plan to vote for McCain, compared to only 32% for Obama. More significantly, 19% of respondents who voted for Clinton in the primaries would vote for McCain if the general election were being held tomorrow. Whether this will remain the case is up in the air, yet there is historical precedent that establishes a potential parallel. About a quarter of Democrats crossed party lines to vote for Reagan in 1980 after a bitter Democratic primary contest between Jimmy Carter and Ted Kennedy dragged all the way to the convention.

McCain's main challenge of attracting undecided voters and alienated Clinton supporters over to his camp hinges on his ability to reconcile her policy proposals with his, and to improve his image amongst moderates. For Obama to re-solidify the Clinton base around the Democratic Party, he will need to highlight the sharp distinction between McCain's stance on social issues such as the pro-life/pro-choice debate and the Democratic Party's, as well as continue to emphasize the policy similarities between Senator Clinton and himself. While McCain only trails Obama by two percentage points in a head-to-head competition, looking at nuances such as relative enthusiasm is telling. For example, Republican primary voters tend to be less satisfied with their party nominee than their Democratic counterparts (68% say they are satisfied with Obama, compared with 52% for McCain). In addition, Republican primary voters are more inclined to say they would vote for McCain simply as a vote against Obama than Democratic primary voters are (28% compared to 13%). Based on this, it seems that Obama has a more solid foundation based on who he is, rather than who he is not. While Obama displays these strengths, a persisting setback is his inability to connect with a key demographic constituency: white non college-educated voters. No Democrat in recent memory has won the presidency without the votes of white, older blue-collar Democrats in many battleground states. A mere 28% of white non college-educated voters support Obama. In the Democratic primary, Obama largely failed in winning the hearts and minds of this pivotal group. He will need to demonstrate more success in drawing this constituency to his candidacy the second time around.

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