

HOW ARE AMERICANS FEELING ABOUT THEIR OWN CIRCUMSTANCES NOW, DAVID PLOUFFE?

Perhaps I'm getting tiresome with this point, but sorry, I'm going to make it again.

Two months ago, David Plouffe dismissed the possibility that the unemployment rate would have any effect on Obama's reelection chances. He (correctly) noted that people judged the President's performance on the economy by their assessment of how the economy is doing for them.

Problem is, he claimed that people's perception of how they were doing was improving.

The average American does not view the economy through the prism of GDP or unemployment rates or even monthly jobs numbers.

In fact, those terms very rarely pass their lips. So it's a very one-dimensional view. They view the economy through their own personal prism. You see, people's – people's attitude towards their own personal financial situation has actually improved over time. You know, they're still concerned about the long-term economic future of the country, but it's things like "My sister was unemployed for six months and was living in my basement and now she has a job." There's a – a "help wanted" sign. You know, the local diner was a little busier this week. Home Depot was a little busier. These are the ways people talk about the economy. [my emphasis]

Only, people's impression of the economy isn't improving over time. In fact, they're pretty pessimistic about the economy.

The Conference Board *Consumer Confidence Index*®, which had improved slightly in July,

plummeted in August. The Index now stands at 44.5 (1985=100), down from 59.2 in July. The Present Situation Index decreased to 33.3 from 35.7. The Expectations Index decreased to 51.9 from 74.9 last month.

[snip]

Says Lynn Franco, Director of The Conference Board Consumer Research Center: "Consumer confidence deteriorated sharply in August, as consumers grew significantly more pessimistic about the short-term outlook. The index is now at its lowest level in more than two years (April 2009, 40.8).

[snip]

Consumers' short-term outlook deteriorated sharply in August. Those expecting business conditions to improve over the next six months decreased to 11.8 percent from 17.9 percent, while those expecting business conditions to worsen surged to 24.6 percent from 16.1 percent. Consumers were also more pessimistic about the outlook for the job market. Those anticipating more jobs in the months ahead decreased to 11.4 percent from 16.9 percent, while those expecting fewer jobs increased to 31.5 percent from 22.2 percent. The proportion of consumers anticipating an increase in their incomes declined to 14.3 percent from 15.9 percent.

I take no glee in this crappy report. but I do think it's a pretty accurate read of how people feel about their own personal circumstances and I do agree with Plouffe that this is the economic measure people make when considering whom to vote for.

So I really hope Plouffe stops trying to claim things are great when they really aren't.