

DAVID PLOUFFE: ALSO WRONG ON CONSUMER CONFIDENCE



enjoy consumer confidence by Shira Golding,

Greg Sargent has a post arguing that complaints about David Plouffe's comments about unemployment are being distorted.

It seems Plouffe was actually asked a question about whether and how the unemployment rate would impact the Presidential race. He replied by claiming that the *number itself* wouldn't impact people's votes. In other words, Plouffe himself didn't initially establish the political context. Plouffe then launched into a discussion about how the anemic recovery is experienced by people on a personal level. It was in that context that Plouffe reiterated that people won't vote based on the number alone.

You can accuse Plouffe of being *wrong* in claiming that people won't vote based on the percentage of unemployed – I tend to think it may loom in people's minds. You can argue that it was a misstep in that the quote does sound tone-deaf when reproduced without the surrounding

context, and it's understandable why people would see it as insensitive when viewed without that context.

But as Dave Weigel notes, the quote in isolation is widely being distorted in the media as a sign that Obama's advisers have their heads in the sand about the economy.

Except that the transcript Sargent includes actually proves that Plouffe does have his head in the sand about the economy. After explaining that people don't think of the economy in terms of unemployment numbers or GDP (I agree), he claims that people are actually feeling better about the economy.

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]

Problem is, there's a way to measure people's attitude about their own personal situation, and it is not improving. Two key measures of consumer confidence, at least, show people's

attitude about their own personal situation has declined in the last month.

The consumer-sentiment gauge fell to 71.5 at the end of June from 74.3 in May. A preliminary June reading had pegged sentiment at 71.8.

The sentiment reading, which covers how consumers view their personal finances as well as business and buying conditions, averaged about 87 in the year before the start of the most recent recession.

[snip]

Earlier this week, a separate report showed that consumer confidence fell in June to the worst level in eight months on concerns about employment and income.

The Conference Board's consumer-confidence index fell to 58.5 for the month from an upwardly revised 61.7 in May. Generally, when the economy is growing at a good clip, confidence readings are at 90 and above.

Now, consumer confidence may well turn around, and it has been going up with small hints of a turnaround. But it is not up right now—the Conference Board survey is worse than it has been for months.

Look, I'm not trying to make it easy for Mitt Romney to attack Barack Obama. But at every turn, the Administration does seem deaf to the complaints of ordinary people. Mitt's no more in touch with those complaints, I'm sure. But that doesn't mean Obama and his aides don't have to start listening to the pain of real people.