

# Most in NC are doing well, but still sour on the economy



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President Joe Biden speaks during a visit to Wolfspeed on March 28, 2023, in Durham, N.C.

BY NED BARNETT

In 1992, Democratic strategist James Carville reminded workers on Bill Clinton's presidential campaign to stay on message about the recession late in President George H. W. Bush's first term.

Carville hung a sign in the campaign's headquarters that famously said, "It's the economy, stupid."

Thirty two years later, in another presidential campaign, that phrase has morphed into its opposite: "It's not just the economy, stupid."

President Joe Biden is presiding over a strong economy, but it [doesn't seem to matter](#) to a large swath of the electorate. The unemployment rate is low and so is Biden's approval rating. [Wages are up](#), [corporate profits are up](#), the [stock market is up](#), but [support for Biden](#) isn't.

This national political riddle persists in North Carolina as well.

A recent [Quinnipiac University Poll](#) of North Carolina voters found that most voters see their personal financial situation as either excellent or good, but two-thirds think the national economy is not so good or poor.

Quinnipiac University polling analyst Tim Malloy was puzzled by the results: "It's a head-scratcher when you do the math. Sixty percent of North Carolina's voters say they are doing just fine financially, but a whopping 67 percent say the nation's economy is in bad shape."

When I followed up with Malloy he said the gap in North Carolina voters' assessment of their finances and the economy is a national phenomenon. The numbers don't matter. Political leanings do.

"It speaks to polarization", Malloy said. "Voters see the economy as a referendum on Biden and will rate it through that lens."

Steve Allen, an N.C. State University economist, said polarization is distorting a clear reading on the economy's strength, but people are also skeptical about positive economic numbers when they see inflation and instability in the economy.

"I see two drivers," Allen said. "One is partisanship: Democrats are much more likely to say the economy is doing well than Republicans, even though members of both parties live in the same economy. The other is uneasiness about the future: We have been squeezed by higher prices over the last four years."

Along with inflation, Allen said, other conditions contribute to a sour mood among many voters. "Add political gridlock, wars and you almost have a Jimmy Carteresque crisis of confidence" he said. "In other words, it is about more than just the economy."

David McLennan, director of the Meredith Poll, which tracks North Carolina opinions, said that whether a president gets credit for a good economy depends on one's political views, but also on psychology.

"People attribute their own financial situation, when it is positive, to their own hard work and management of their finances," he said. "When their personal finances are not what they want them to be, they blame the government."

Some North Carolinians are struggling with inflation and higher interest rates, particularly with regard to food costs and mortgages. Still, judging by spending and investment in North Carolina, people have more confidence in their finances than polls show.

For evidence, look at crowded concerts, restaurants and airports. Or the state budget. The legislature's Fiscal Research Division [projects](#) the state will bring in [\\$1 billion more in revenue](#) this fiscal year than anticipated. Among the reasons are higher income tax revenue as people make more in wages and increased sales tax revenue as consumer spending exceeds projections.

Not only is today's economy strong, there's good reason to think it will remain so. Major federal spending on infrastructure and clean energy projects will continue to produce and sustain jobs. That public spending is also stimulating private investment in long-term projects.

Carville was right in 1992. And, despite the partisan glumness of some poll respondents, he's likely still right in 2024. A strong economy is good for presidents seeking reelection. In the end, it will make all the difference.

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