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The DC Economic Disconnect and Democrats

By David Paul Kuhn

Washington never really had a recession.

Democrats owe a measure of their historic loss to Washington's alternate reality. They were consumed with issues like healthcare when Americans' were consumed with the economic crisis. Pundits were slow to grasp the issue. It was not only what Democrats were doing. It was also what they were not. And affluence partly explains why not.

The political class is detached from the have-nots. Americans consistently say this much. That Washington does not understand their lives. And for good reason. The governing class is removed from the pain of the governed.



A new report reinforced this reality on

Wednesday. Members of Congress personal wealth collectively increased more than 16 percent between 2008 and 2009, according to a Center for Responsive Politics (CRP) study. Americans household net worth fell by more than a fifth over roughly the same period, according to estimates by the Federal Reserve and others.

More than a fifth of lawmakers have an estimated wealth exceeding \$10 million. Nearly half of all lawmakers are millionaires. Only about 1 percent of Americans are millionaires.

In this vein, lawmakers are more indicative of Washington than the nation they represent.

The District of Columbia unemployment rate hovers slightly above the national average. But the DC region's unemployment rate is about 6 percent. The region's rate has remained more than 3 percentage points below the national average throughout the recession. This is the Washington that has escaped the Great Recession.

Washingtonians who work in politics (e.g. -- bureaucrats, consultants, lawyers, lobbyists, media, activists) generally live in northwest Washington or the suburbs. The census defines the region as the district, counties in Virginia and Maryland, as well as one county in West Virginia. DC's devastating urban blight--a third of the city is functionally illiterate--is largely foreign to the political class.

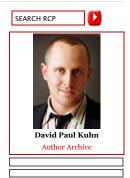
How foreign? Seven of the nation's 10 richest counties--including the top three--are in the Washington region, according to median household income data collected by MainStreet.com. Median is the key word. Washington lacks the ultra-rich of Manhattan or Los Angeles. But its wealth, while more modest, is more evenly distributed.

This affluence is not isolated to public sector posts. The lobbying industry earned more money in 2009 than 2008, CRP found in an earlier report. Defense is also relatively recession proof. And military contractors have major footprints in the Washington region (e.g. -- Northrop Grumman, Lockheed Martin, General Dynamics).

But Uncle Sam's payroll is the main factor. The nation's 2.1 million civilian and military workers earn about twice the amount of their private sector counterparts. Civil servants average total compensation--pay and benefits--was about \$123,000 in 2009. Private sector workers made about \$61,000 in total compensation that year, according to the Bureau of Economic Analysis.

The median House member's wealth stood at about \$765,000 at the close of 2009. The median senator's wealth stood at \$2.38 million. This is the same Congress currently debating an extension of unemployment benefits and tax cuts for workers whose incomes exceed \$200,000 annually.

It's often noted that members of Congress generally risk little when they declare war. Few of



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Pawlenty Releases Tea Party-Themed Video their children serve in the military. But members also have little at stake in the economic crisis. They are heavily invested in the market. But most know nothing of living paycheck to paycheck.

Is it any wonder Americans question lawmakers connection to their lives?

A clear majority of Americans believe government policies have not helped them or their families. They have little or no confidence in the government's ability to solve the nation's economic problems, according to an autumn poll by the Washington Post, Kaiser Family Foundation and Harvard University.

Election Day expressed this disconnect. Half of all voters said they were "very worried" about the economy. Those voters favored Republicans by more than a 2-to-1 ratio.

Both party's lawmakers are equally affluent. But Democrats were in charge. And it's Democrats who spent their political capital on issues like healthcare while the economy floundered. It has ultimately cost Democrats a half dozen senators, 60 plus representatives and the largest losses in state legislature seats since the 1920s.

In the end, Democrats have suffered historic job losses partly because of their inattention to historic job losses.

Conservatives could note an additional irony. Washington's big government has made the surrounding region prosperous. But that prosperity might help explain why the party of bigger government was disconnected from the nation's economic plight and, partly because of it, lost power.

Yet Washington's detachment costs Democrats even if they are not in power. Liberalism fundamentally relies on a belief in government. Democrats have also become increasingly dependent on public employee unions. This ultimately means that the more Washington appears to rise, as Americans sink, the less Americans will believe in government and therefore, the less they'll believe in Democrats.

David Paul Kuhn is the Chief Political Correspondent for RealClearPolitics and the author of The Neglected Voter: White Men and the Democratic Dilemma. He can be reached at david@realclearpolitics.com and his writing followed via RSS.

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