10-26-2016

The Revenge of Joe the Plumber

Michael A. McCarthy

Marquette University, michael.mccarthy@marquette.edu

The Revenge of Joe the Plumber

MICHAEL A. MCCARTHY

The post-crisis class interests of small business sit comfortably next to the xenophobia of the alt-right.

Who does Trump represent?

One view casts him as the voice of white men, disaffected with the mainstream of the Republican Party because of racial resentment, anxiety about the status creep of women, and a desire to keep people in the closet.

Another argues that his supporters are primarily motivated by economic grievances, the fallout of the 2008 crisis and devastation from free trade. They are out of work or underemployed and barely getting by.

In either case, his base has come to be seen as poor and uneducated. Picture an opioid-addicted, middle-aged white man living in rural Appalachian poverty — that’s the popular archetype of a Trump supporter.

Trump’s white underclass base is more myth than reality, however. Nate Silver finds that the median income for Trump supporters in the Republican primary was $72,000, about $10,000 more than the median income for whites in general. And, drawing on a survey of over one hundred thousand American adults, Gallup’s Johnathan Rothwell adds that while they are less educated and more likely to work in blue-collar industries, his supporters have higher household incomes, relative to the average.

But some commentators have taken this corrective in spurious directions. Dylan Matthews draws on thermometer data on racial attitudes (i.e., between one and a hundred how do you feel about X) that show Trump supporters have more racial resentment than Clinton’s. He argues that because Trump supporters aren’t primarily drawn from the ranks of the poor that racial resentment itself must be the main thing driving Trump support, not economic anxieties.

This accepts the assumption that economic anxiety and racial resentment are competing and separate causes. But why are these mutually exclusive? It is common knowledge within the social sciences that
increases in ethnic and racial antagonisms are often the result of seemingly impersonal economic dynamics.

The terms of the debate about Trump’s base have allowed writers to obscure the important ways in which racial resentment interacts with a person’s economic situation. Considering this a bit more closely casts some light on the class character of Trump’s campaign.

**Small Business**

Trump has attracted the support of some very nefarious types, including white nationalists like David Duke. Unapologetic racists that still wave the Dixie flag make for tantalizing news coverage. Those in his coalition come with many views, even if people of color are fewer and farer between. Looking solely at averages often hides these other dynamics.

But trends still remain. As we know, Trump supporters tend to be white, tend to be older, tend to be male, tend to live in households with slightly higher income, and tend to have less education. Interestingly, his base is also significantly more likely to be self-employed overall, among other whites, and among other Republicans. In key respects, Trump represents the revenge of Joe the Plumber — and indeed Joe supports him.

Many feel more comfortable casting his bid as some abhorrent anomaly. But Trumpism is no oddity. Instead it’s the expression of the anxieties of the petit bourgeoisie and a result of a break between two wings of the capitalist class in the Republican Party that began with the emergence of the Tea Party.

Fissures within the party opened in the wake of the 2008 crisis. The New York Fed estimates that while business across most sectors experienced major losses, small ones (firms that typically employ less than fifty people) were more adversely affected than larger ones. More dramatic losses in sales forced smaller firms to lay off more of their employees than larger firms. The recession for the petit bourgeoisie was much deeper. This contrasts with the early 2000s when the dot-com bubble burst. Then, larger businesses bore the brunt of the crisis.

When we break this down by sector, the image is even starker. Construction and manufacturing firms employing one to forty-nine employees laid off 20 and 12 percent of their workforce between 2007–9, respectively. Trump enjoys more support from those that identify as working in these industries. While small firms in the service industry, where Trump does not have significant support, laid off far fewer, just 1.5 percent of their workers.

Over the course of Trump’s campaign, small business has been the strongest plank in his coalition. Even prior to winning the Republican nomination, in early 2016, when the Republican field was still crowded, nearly 60 percent of owners of small businesses favored Trump as the Republican candidate. In late September, well after Trump’s warts were fully put on display, a repeat of the same survey found nearly the same results, 58.6 percent of small business owners were Trump backers.

From the very beginning of his campaign, if we exclude retirees, most of his contributions have come from small business owners — hardly the Wall Street elite that are eagerly supporting Clinton. In a May survey, 60 percent of business owners in general believed that Clinton is the top choice, but among small businesses just 19 percent supported her. Many more, 43.6 percent think Trump is the best candidate for the job of president.
In the same survey, Latino entrepreneurs were evenly split in their first choice for president between Clinton or Trump. Women entrepreneurs significantly favored Trump over Clinton, although their opinions were more polarized. This is surprising, as Latinos and women are characterized as in wholesale opposition to a Trump presidency. Again, averages can hide deeper dynamics.

Trump’s message and platform is the expression of the interests of small businesses — if it resonates with small segments of the racist white poor, it’s not because it has them in mind. Trump’s candidacy aims to harness racial resentment and economic anxiety in America for business goals.

The Issues

Trump ran explicitly on an anti-immigrant program and the proposal to build a wall between the United States and Mexico. Deep divisions persist on the issue of immigration. And surely, xenophobia is part of many Americans’ hostility to Latino and Arab immigrants and refugees.

But capital itself is also divided on this issue. Both the US Chamber of Commerce and the Business Roundtable have been vocal advocates for immigration. In congressional testimony, the US Chamber of Commerce states that “We face a larger and larger shortage of workers, especially at the low-skilled end of the economy.” The Chamber of Commerce has even actively promoted guest worker programs to, as their CEO Thomas J. Donohue wrote in 2007, “fill jobs Americans don’t want.”

Small business owners, on the other hand, tend to be hostile to immigrants. Even prior to the financial crisis, in 2006 the National Federation of Independent Business, the largest small business association in the United States, found that more than 90 percent of their members thought illegal immigration was a problem, 70 percent ranked it as a serious problem. Nearly 80 percent of their members believe undocumented immigrants should be forced to leave the country. Trump has earned the NFIB’s high praise.

Over 82 percent of the members of the National Association for the Self-Employed, the voice of micro-business, oppose immigrant amnesty and even more want tougher penalties on companies that hire illegal immigrants. For small business, in a period in which their sales are undergoing a slow recovery, immigration reform is a means to regulate competition. This is why small firms actively support a smooth-working E-Verify system that will allow them to quickly tell if a potential worker is legal or not. Small firms actually lobby for harsher penalties against firms just like them that don’t comply and hire illegal immigrants. Doing so gives firms that hire undocumented workers at lower wages the ability to underbid those that don’t and sell their goods and services at lower prices. The Chamber of Commerce, and big business in general, opposes an E-Verify system.

Although his wealth is several orders greater than theirs, many small business owners see Trump as one of their own, as something to aspire to, and someone that can represent them — much as Ross Perot was to them in 1992. According to Cheric Corso, the founder of G2 Organics — a company that creates “non-toxic” beauty products “that reduce our collective environmental impact and carbon footprint,” “I see how he cuts through obstacles, and, as an entrepreneur, I have to cut through obstacles every day to get things done.”

Many small businesses feel anxiety about the potential obstacle that trade pressure could pose for their sales. Large corporations, that already have operations overseas and are major exporters, have the most to
gain from free-trade agreements like the one Trump so regularly lambasts, NAFTA. So it’s not surprising that organizations like the Chamber of Commerce have been among the most vocal critics of Trump’s more protectionist approach.

Small companies that already export do often benefit from free-trade agreements as well, but even among those shipping products across borders most earn a small percentage of their total revenue from it. Most small businesses make the bulk of their sales domestically, less than 5 percent export. Whether the danger of increased competition from foreign producers is more a fear than reality, they are more anxious about it than big businesses are who are better poised to dive into new markets. They want, as Trump regularly says, “better deals” crafted with their interests specifically in mind.

In step with the neoliberal orthodoxy, the Chamber has argued that the tariffs Trump would impose on China and Mexico would cause an American recession. That orthodoxy seems to be breaking down within the other sections of American capital.

Small and big business aren’t divided on all the issues, probably not even most. Both want to repeal the Affordable Care Act — although small businesses have poured more energy into overturning it in the courts, just like business in general wants to lower the corporate tax rate and oppose labor unions. But small business remains a distinct force in American politics. Right now, it pushes in a different direction than large capital.

**Trump’s Class**

There are almost thirty million small businesses in the United States and they employ more than half of the working population. They make up 99.7 percent of all US employer firms. They generate about 43 percent of the private-sector payroll and produce 33 percent of American exports. Compared to the approximately 18,500 firms with 500 or more employees, small businesses are simply more numerous. As their interests with big business diverge they have the numbers and resources to mount significant political challenges to the traditional wing of the party.

Of course Trump’s coalition includes other segments of American society. His gestures toward the religious right have brought many into his fold and it’s easy to find people motivated by racial resentment at his rallies. Neither do all small business owners support his candidacy. Many are repulsed by his sexist and racist rhetoric. But Trump supporters have been cast as opioid-addicted whites, downtrodden, and living in the shadow of their former privilege. This view has made us miss the forest for the trees.

The post-crisis class interests of small business sit comfortably next to the xenophobia of the alt-right. They make happy bedfellows and indeed, they are often one in the same person. While it is doubtful that small business will have its candidate in office, it has already begun to change the character of the Republican Party.

**ABOUT THE AUTHOR**

Michael A. McCarthy is an assistant professor of sociology at Marquette University.