

TAXLANDIA PROJECT SUMMARY

MARCH 2016

INTRODUCTION

Public revenue should be everyone's issue. Broadly shared prosperity, quality of life, and a thriving nation rely on effective government. That means we all have a stake in ensuring sufficient, sustainable revenues needed to support government and achieve our shared goals. And yet, discussion of taxes is lopsided. Political rhetoric, media coverage, and even kitchen-table conversation are dominated by the idea that lower taxes are best, and voices on the side of more revenue can seem isolated.

Is a balanced, constructive and engaged dialogue around government revenues and budgets possible?

The Topos Partnership set out to answer this question in a major, multi-state project supported by the Ford Foundation, the Stoneman Family Foundation, the Brico Fund, the Gill Foundation, and anonymous donors. Working nationally, with a special focus on the states of Colorado, Kentucky, Washington, and Wisconsin, we explored Americans' current thinking and discourse through ethnographic interviews, a media review, a national survey, and other research methods to identify cultural understandings, uncover patterns in discourse, and assess the effectiveness of a range of communications approaches.

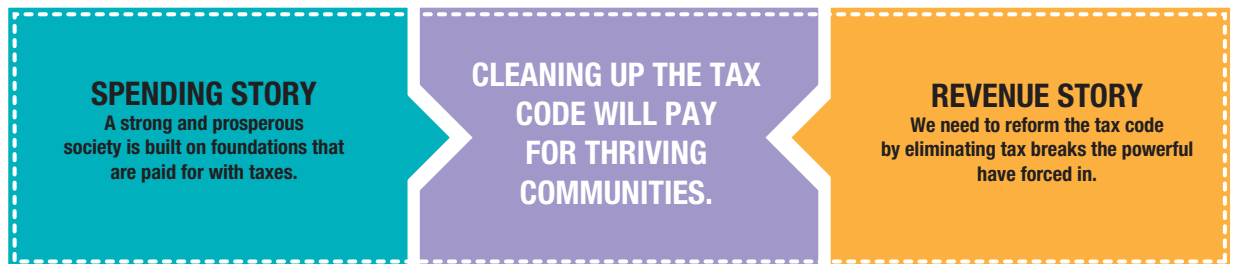
Our analysis points to a conclusion that many may find surprising. Americans are not rigidly anti-tax. Instead, default ways of thinking and gaps in understanding predispose conversations around the country to the seemingly self-evident idea that lower taxes are always better. To build support for adequate, sustainable revenues, advocates must recognize these defaults, create new connections, and fill gaps in understanding.

While the task is by no means simple, we see an opportunity for a cultural shift in Americans' thinking about taxes and spending that will result in a more balanced, constructive, and less reflexively negative stance on this topic.



THE OPPORTUNITY

Our research points to an opportunity for a constructive dialogue about taxes. The figure below illustrates the strategic formula tying together both sides of the budget equation: spending and revenue.



There are numerous ways to make these points concisely, using natural language that feels like common sense. And importantly, while it is most effective to tie the Spending Story and Revenue Story together, they don't have to be made at the same time, if circumstances suggest the need to emphasize one part. (Throughout this document, text in quote bubbles illustrates effective common-sense language to communicate particular ideas.)

You can't get something for nothing. We all want and deserve thriving communities with great schools, parks, modern roads and bridges; and we chip in to pay for that. That's what taxes are for. But our tax code needs serious reform; it is riddled with out-of-control tax breaks that are syphoning off the resources that would be better used in our communities.

Should we be spending on things that benefit all of us and make our communities thrive, or on tax breaks that mostly benefit a few?

The brief analysis that follows summarizes important dynamics of public understanding, and the elements of the case that provide a foundation for a balanced public conversation on revenues and budgets.

THE OPPORTUNITY

SHARED BENEFITS

Reminding people of the shared benefits of public revenue clearly shifts how they feel. When the focus is on public systems and structures we all benefit from, a majority concludes that the taxes we pay are, in fact, “a good deal.” Too often, people overlook what taxes pay for and, instead, see money disappearing into the “black hole” of government.

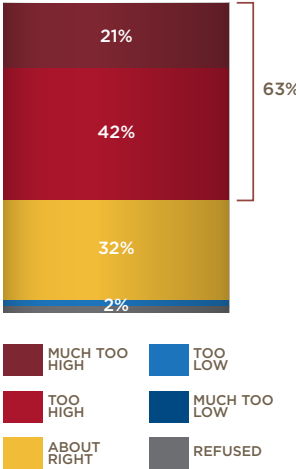
As illustrated in the graphs on the right, nearly two-thirds of Americans think the taxes they pay are too high, but when reminded of the things government does, a majority responds that taxes are “a good deal.” This suggests communicators should provide more ongoing prominence to the way public revenues benefit our quality of life, and that a conversation on taxes and budgets should always connect the dots to what taxes pay for. This will go a long way toward addressing people’s concerns about how government spends money.

Critically, highlighting shared benefits, the foundations of our communities, and prosperity does more to build public will for revenue than appealing to narrow self-interest or slices of the electorate. A conversation about shared benefits naturally relates to compelling ideas about the common good and even patriotism. It builds engagement and helps inoculate against tax resentment and the idea that taxes are largely about “redistributing wealth” (a common perception and objection).

We all know the ingredients of a great community. Schools with good teachers, well-maintained streets, emergency response to keep us safe, access to high quality healthcare—these basics help communities thrive. Are we doing all we can to make sure all our communities have them?

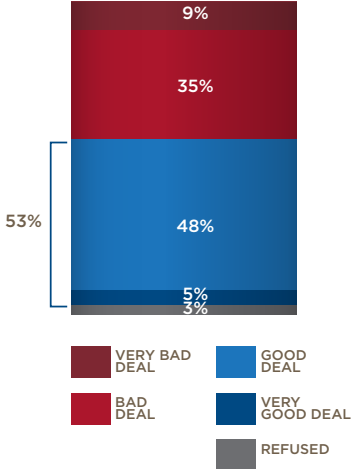
TAXES: HIGH, LOW, OR ABOUT RIGHT?

Thinking about all the taxes you pay at the federal, state, and local levels, do you consider the amount of taxes you pay as:



TAXES: GOOD DEAL OR BAD DEAL?

Consider for a moment all the things government does at the federal, state, and local levels, including: (examples). With this in mind, when it comes to the taxes you pay, do you feel like you personally are getting a:



THE OPPORTUNITY

ACHIEVEMENTS & GOALS

Americans are generally optimistic, can-do people, and tend to be more motivated by a conversation about past achievements and future goals than a conversation about failures and problems. People want thriving communities and express a strong desire for investments that will allow us to accomplish great things. Fully eight in ten agree with the statement “As a nation, I wish we would invest in accomplishing great things like we used to—building 21st-century infrastructure, thriving cities, and creating a world-class education system.” (82% agree, 27% strongly agree)

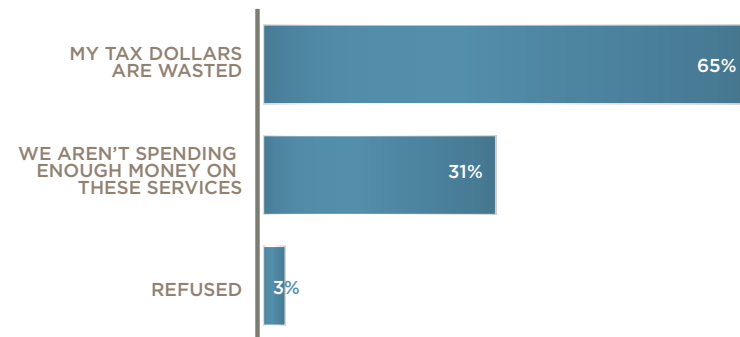
Problematically, advocates often point to failures in government systems and structures to demonstrate that more resources are needed. However, this research clearly suggests that instead of mobilizing support for additional resources to improve systems, complaints about what is flawed or broken actually undermine support for additional funds. People are more than twice as likely to say their “tax dollars are wasted”(65%) as say “we aren’t spending enough money on these services”(31%) when asked for their reaction to hearing about problems in government services.

Similarly, those who are the most satisfied with their state’s quality of life are the least anti-tax. Again, to engage the public in supporting adequate revenues and to illustrate the right priorities for public spending, highlighting goals and successes accomplishes more than pointing to failures and inadequacies.

Advocates shouldn’t avoid a critique of failed government, but grounding that critique in a vision of what could be, and reminding people of what is working, will lead to more support in the long run.

PROBLEMS MEAN: WASTED TAXES OR MORE NEEDED?

When I see problems in government services, such as roads and bridges that haven’t been maintained or schools that are doing a poor job educating our kids, it makes me feel like...



We can have the greatest schools, health, infrastructure, and safety in the nation—that’s how our quality of life and our economy will grow. When we spend on fundamentals like quality education, modern infrastructure, and so on, we are investing in our state’s prosperity.

Which path will we take: the path toward thriving communities across our state or the path toward slow deterioration and a widening gap in quality of life?

THE OPPORTUNITY

REFORMING THE TAX CODE

While lifting up the shared benefits of revenue and highlighting achievements and goals will go a long way toward creating a more balanced conversation on this topic—at a certain point we hit a ceiling of support for increasing taxes. Progressive tax reform will lead to more revenue, but starting with “more revenue” as the goal causes average Americans to become defensive and worry that their own taxes will go up. On the other hand, framing the conversation with ideas like “cleaning up” the tax code allows us to get the upper hand and define reform in a way that leads to more revenue.

Many Americans firmly believe the tax code favors special interests and those at the top, so they want common-sense tax reform before considering increased taxes. Fully eight in ten, among the highest levels of agreement in our survey, believe special, powerful interests control our tax system: “Our tax system is controlled by special interests in Washington.” (83% agree, 39% strongly agree)

If we cleaned up our tax code we'd have more to invest in the things that create thriving communities.

It's time to get a handle on an out-of-control tax code. It turns out that legislators don't even know how much is given away in tax breaks in this state. That doesn't make sense.

WEALTH VS. POWER

There are two distinct aspects of populist resentment that influence people's thinking: wealth and abuse of power. Research suggests that in the long run, the latter is a constructive dynamic to build upon, while a focus on wealth per se has limitations. In particular, while people readily agree that “the rich should pay their share,” this focus can send a message about shifting the tax burden rather than promoting the importance of revenue. Inadvertently, it can reinforce support for a middle-class tax cut to address inequities in the system, or lead to revenue-neutral solutions.

Our research suggests that Americans' populist resentment is less about rich and poor, and more about those who use influence to benefit themselves at the expense of others. While they may sometimes use labels such as “wealthy” or “rich,” most people are angered not by wealth, but by using power to further personal gain at the expense of others.

When we get rid of the tax breaks that powerful groups have forced into our tax code, we'll be in a stronger position to move our state/nation forward.

Most of us can't explain exactly how the tax code works, but when we see schools crumbling, college costs going up, emergency services getting cut, and our communities struggling, all while a few at the top push for mind-boggling tax cuts, then we know our state's priorities are all wrong.

SEGMENTATION

While the ideas we've discussed in this brief summary cross cultural lines, distinctions in attitudes and drivers of change also emerge from the research. Our original survey conducted for the project leads to a five-way typology, with each group defined by clusters of shared attitudes toward taxes and related topics. Individuals in these categories share many understandings, but also think in some distinct ways that will matter for how they respond to messages. Attention to this typology can help communicators determine which elements to emphasize with which audiences and in which contexts.



“COMMUNITARIANS” (16% OF THE POPULATION):

If there is a pro-tax group in America, it would be this segment of the population. Communitarians are driven by community and by collective thinking. They see the value of pooling resources to invest in shared needs. They believe government revenues are too low, and would rather invest in communities than see the middle class get a tax cut. They are populist, knowledgeable about government budgets, and are politically engaged. Demographically, they tend to be liberal Democrats, female, the most-educated segment, well-off, and white. Since this group is already on board, they can be influential with their peers with more confidence about how to express their opinion effectively.

SEGMENTATION



INATTENTIVE STRIVERS (29% OF THE POPULATION):

Inattentive Strivers don't pay much attention to tax and budget issues, and don't really want to. They are middle-of-the-road in many opinions; however, the ideas that drive them tend to revolve around striving for the future, including a desire to invest in accomplishing great things, that taxes pay for things that support a good economy for everyone, and that taxes are a contribution to society. Demographically, they are the youngest of the groups, people of color, and high school educated, but their incomes are average, so they may see themselves as being able to join the ranks of the middle class. In addition to the basic communications strategy outlined above, investing for shared goals and the future is particularly motivating for this group.



STRUGGLING POPULISTS (12% OF THE POPULATION):

This group holds many views that are similar to Communitarians—they think government has too little revenue, they want investments, and they voice populist views. On the other hand, they are struggling economically and are displeased with government, which leads to extreme tax sensitivity. They feel less knowledgeable about budgets and are less politically engaged than other segments. Demographically, they are more likely to have achieved a high school diploma or less educational attainment, to be younger, a person of color, Democratic, to have utilized government services (personally or someone in their household), and are the lowest-income segment. This is a group that wants more resources for their communities and more government action on their behalf, but they are economically stressed, so are sensitive to any hint that their taxes could go up.



DUTIFUL DISCONTENTED (33% OF THE POPULATION):

This group is fairly average on many indicators, but they express a sense of duty when it comes to this issue; they want more citizen involvement in budgets and believe it is unpatriotic to dodge taxes. At the same time, they are discontented with taxes; they are more likely than some segments to believe state and federal government has too much revenue, that their taxes are too high, and want a middle-class tax cut over increased investments. When they hear about problems, they believe their tax dollars are wasted. Demographically, they tend to be older, working- and lower-class, of mixed race (but mostly white), and are more likely to have received Social Security and Medicare benefits in recent years. In addition to the basic strategy, this group will be motivated by shared responsibility, a call to patriotism, and to the idea that some at the top are avoiding their responsibilities.



RESENTFUL RICH, 10% OF THE POPULATION:

The Resentful Rich resent taxes and think their taxes are too high and the poor don't pay enough. They believe they are knowledgeable about government budgets, and are politically engaged. Demographically, they tend to be conservative Republicans, older, well-off (the highest-income group) white men. To the extent that communicators seek to influence this group, one goal would be to emphasize the idea of cleaning up the tax code for the purpose of good government, and not additional resources.

FOR MORE INFORMATION ON THIS PROJECT AND ITS FINDINGS, CONTACT THE TOPOS PARTNERSHIP.

ABOUT TOPOS



topos

Topos has as its mission to explore and ultimately *transform the landscape of public understanding* where public interest issues play out. Our approach is based on the premise that while it is possible to achieve short-term victories on issues through a variety of strategies, *real change* depends on a fundamental shift in public understanding. Topos was created to bring together the range of expertise needed to understand existing issue dynamics, explore possibilities for creating new issue understanding, develop a proven course of action, and arm advocates with new communications tools to win support.

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