

## **MESSAGING IN HARD TIMES:**

### **How a Balanced Approach Helps Get Revenue into the Debate**

The national economy is in recession, states' revenues continue to fall, and the need for services is rising. Aid from the federal government helped close some of the gaps, but it hasn't closed states' entire budget gaps. To balance their budgets, states are cutting services that assist communities and vulnerable families. Minimizing these cuts requires a balanced approach that includes revenues.

Making the case for revenues to friends, colleagues, organizational partners, and policymakers seems like a difficult task. The good news is that there are proven ways to communicate the need for revenues in ways that people can relate and can support. **Our messaging needs to be simple, direct, and relatable.**

#### **TIP #1: THE PROBLEM IS THE ECONOMY (NOT THE BUDGET)**

**We have to meet people where they are.** Voters certainly understand that the economy is in deep trouble. But that doesn't mean people are engaged in thinking deeply about how we got into this mess or what kinds of smart policy choices will help us get out; they blame greed, banks, Wall Street -- but they don't know what the "right" responses should be from government. Polling shows that when asked about the biggest problems their state faces, people overwhelmingly pick "jobs and the economy."

The recession is causing underfunding of public services, but most voters tend to think the problem isn't government lacking enough money, but that government doesn't spend properly or do a good job of prioritizing, i.e., *governments waste money*. When people are polled about what government should do to restore a firm financial footing, if "cutting waste" is among the choices given to them it will come in first.

There is also a perception that the tax system isn't fair to ordinary voters, so they do not want to pay more toward an unfair system. For many it goes beyond a desire to make taxes more "fair." They see taxes as a taking and don't connect taxes to what taxes pay for.

So we can't begin this conversation where *we* are. We need to start it where the public is. Here's a message (and many of us have relied on it) that isn't working: "We face a huge budget crisis. The enormity of the problems has resulted in cuts and more cuts. We have to look at more revenue."

**It's our job to help clearly define the problem.** It's important to do this in ways that square with public perceptions in order to lead people toward acceptance of our solutions. One part of this strategy is never to assume that your audience really relates to concepts like "budget shortfall," "gap," or "deficit," even though such words and phrases accurately describe exactly what we're dealing with. And even if they do feel they understand, when people hear talk of a "budget problem" they often assume the problem is overspending. That makes us argue on the other side's turf.

#### *Applying the TIP:*

Instead, as much as possible we should describe the problem states face as more like this: "in a recession the needs of families grow at the same time that states have fewer resources to help them." Now we've described a highly understandable problem: too much of this and too little of that. If you will, the budget gap is the *result* of a problem rather the problem itself.

This language also helps us to focus on something where we are more likely to get support – on *people's needs*, as opposed to *states' budgets*.

You can use analogies here: “if you owned a restaurant and people were waiting in line to get in you’d expand the place; if you ran a state and more people needed something, would your response be to offer less of it? If they needed education, for example, wouldn’t you provide more classrooms and teachers?” Here you can fit in other services, like food banks, mental health, or community colleges. In other words, we’re trying to create a logical context for our ideas.

## **TIP #2: THE SOLUTION IS A “BALANCED APPROACH”**

A “cuts are bad, taxes are good” message doesn’t resonate. It runs counter to the public’s attitude both on taxes in general and the reasons for the economic crisis. We know this crisis was not caused by waste and overspending; the public doesn’t.

**We can deal with this by being focused and credible.** We know what’s needed: fewer cuts and more revenue. But it’s crucial to keep in mind that almost no one (including us) believes the answer will be *no* spending cuts at all. Every state has been making changes on the spending side to adapt to the economic crisis, and we’re not suggesting they should undo those changes.

Of course that doesn’t mean we advocate *for* spending cuts, or that we embrace or agree with all of them. What it does mean is that we won’t be taken seriously – and our revenue message won’t have traction – if we say (or if it sounds like we’re saying) there should be revenue increases *instead of* spending cuts.

Rather, we need to enter the conversation at a point where it is implicitly understood that there have been and will continue to be some spending cuts. An effective way to say what we’re for is a “balanced approach.” Who could possibly be against balance? Using this phrase (and it can’t be used too often) acknowledges that cuts are a given without our supporting them, and at the same time opens the door to a wider solution. Why a balanced approach? Not because it includes taxes but because it *is a better alternative than relying so heavily on spending cuts that we fail to meet people’s current needs and fail to invest in the economy we want and need for the future*. We are not looking for a “pro-tax” message but for a “better alternative” message. And a balanced approach isn’t just taxes; it’s also spending a state’s reserves and maximizing the use of federal assistance.

Of course, we’re seeing states cut budgets more deeply than we think is right. That’s *our* reality. But that doesn’t mean it would sound credible to oppose the idea of budget cuts – so let’s not say we do.

This might not look at first to be a ringing endorsement for raising taxes. But 69% think that at least some tax increases should be part of the mix. Polling in other places yields comparable results.

In explaining the virtues of a balanced approach you can make points like:

- Relying on cuts alone would hurt families that are struggling to stay afloat
- This problem is too big to solve with any one approach, etc., etc.

A key here is that you're not left explaining why taxes are good (a loser), and you're not even saying that cuts are bad. Rather, you're saying that cuts *alone* are bad and conveying that there is rigidity to the belief that there are easy answers.

As depressing as this fiscal situation is, it offers us some messaging opportunities. Being for a balanced approach puts you on the side of practicality. When the counter to your argument is that you should cut spending instead of raising taxes it allows you to say we are past the point where "either-or" choices are realistic. Then you can note that every state that raised taxes this year *also* made deep cuts in spending. Again, this helps your credibility by reinforcing that you are for balance, unbound by ideology or politics. Let the other side be for absolutism in the face of the worst economic crisis of our lifetimes.

### **TIP #3: UNDERSTAND AND TAKE ADVANTAGE OF PUBLIC PREFERENCES ON TAXES EVEN IF YOU DO NOT AGREE WITH THEM**

**When talking about the tax part of the equation, it's important to keep people's preferences in mind.** Our polling and other research tells us there are taxes people accept more than others, and there is some consensus on what people want government to spend on. All of this is helpful in determining how we build on the balanced approach message.

Polling shows that the most widely accepted revenue raiser is to "cut corporate loopholes." The public feels that businesses are getting away with things that they as individuals can't. People aren't necessarily predisposed to want to tax businesses but there is support for the idea that taxes are a way to hold companies accountable. Citing tax loopholes, bonuses, etc., is important in setting the context for proposed business tax increases.

Almost as popular are income tax increases, but with this important caveat: the increases must be on people with six-figure incomes. The exact level can vary from state to state, but it seems consistent that increased rates on income over \$250,000 draw strong support (approaching 80% in some places). There is measurably less support for across-the-board income tax increases.

People also respond favorably when asked if they would support raising the tax on alcoholic beverages and cigarettes, taxing gambling revenue, or bringing in slot machines where there isn't gambling now. Finally, not surprisingly, temporary tax increases tend to poll better than permanent ones.

There's a theme here, of course: Most of these are taxes either on "other people" or on activities that are perceived as voluntary. Now, this line of polling research does raise some problems. Some revenue raisers (like gambling) are likely to be just bad policy. Others may be bad politics. Most won't raise enough money to solve a big chunk of your budget problem, and if they're temporary, the problems are likely to recur.

The usefulness of this information on taxes might be more about being able to tell legislators that there are taxes the public will support rather than pushing strongly in public for any of them in particular. It may also suggest that a "tax reform" message can be helpful, even if some of the items in an eventual package aren't really "reform" but rather just revenue-raisers.

#### **TIP #4: BE VERY CLEAR ABOUT IMPACTS OF CUTS TO SERVICES**

When talking about the spending side of the ledger, as with taxes, some ways of introducing the topic score higher with the public than others. For example, it's useful to frame this discussion in terms of *maintaining* spending at a level that meets people's needs. It's not (unfortunately) about spending on *new* programs.

Voters express deep concern about cuts to programs that affect them, like education for children, college tuition for students, health care for seniors, and food pantries for people who need support during this down economy.

As with taxes, the point here isn't that you should call for funding particular things. The value in this information is in being able to construct an argument that says a balanced approach (note: balanced approach as opposed to a tax increase) is needed to maintain these sorts of services on which people depend. And you need to tailor this to match areas that are being cut in your state so that you are talking about a real-world situation.

#### **TIP #5: INCLUDE AN OPTIMISTIC, FORWARD-LOOKING THEME**

It's important to talk in terms of the importance of public support for things that will promote future economic growth. This is the "don't eat your seed corn" strategy: if we don't invest in education, transportation, job training, and health care our state will be poorly positioned for when prosperity returns. Part of the point here is the optimistic note that good times will return, but with the warning that if we don't take the right steps now we won't be able to make the most of those good times.

There is research evidence showing that people respond particularly well to a message that has forward-looking, positive elements – that emphasizes the need for long term thinking. In this context, it helps for messages to focus on "all of us" and what we can do to make our future better and come out of the recession stronger.

In making the argument for the balanced approach we can stress in this forward-looking context that relying too heavily on spending cuts would jeopardize our past investments and future prosperity.

#### **TIP #6: WORDS MATTER, SO ENFORCE MESSAGE DISCIPLINE**

When you're communicating with a broad audience, or helping coalition allies or policymakers communicate, what you say can be less important than how you say it. Polling shows, for example, that people typically respond more favorably to "*maintaining adequate funding for programs such as education and health care*" as a priority than to "*avoiding cuts in programs such as education and health care.*"

Similarly, "*making sure that families struggling because of the current recession*" are helped often draws more support than "*preserving the safety net for families.*"

Talking about *the middle class* is better than focusing on the needs of *the poor*.

The differences in wording might seem subtle to us. But people come at this with preconceived, and, quite often, cast-in-stone ideas. They hear “cuts” and they don’t necessarily think that’s a bad thing on its face. They hear “safety net” and they think maybe that’s for people who aren’t willing to try to make it on their own. The point here isn’t to debate whether these people are right or wrong. It’s that it’s much harder to win a debate if you’re framing it in ways that go against what people bring to that debate.

Along these lines, there are some messaging traps to avoid.

- **Don’t talk about the budget too much in terms of numbers;** talk about the human impact of cutting specific vital services. Yes, it makes sense to say that 25,000 kids will lose health coverage. But it’s less advisable to focus on how many billions of dollars that is in the state’s shortfall or what percentage that is of the entire budget. We need to overcome the notion that using numbers in this way makes us credible. They can bog down and confuse the discussion. That’s partly because people have no frame of reference and often little understanding of the magnitude of numbers. And, the other side has numbers too, so in the end you leave people feeling this is an argument between two sides that know how to manipulate numbers. Keep it human.

- **Don’t talk about “program cuts;”** talk about protecting the vulnerable and working families, strengthening education, and preserving/creating jobs. Again, it’s about the human impact – not the dollars. And you can’t mention jobs too often. Ways to do this, for example, are to support funding for K-12 or college because it will help people get good jobs. Returning often to the jobs theme is strong messaging.

- **Don’t spend your time on why taxes are good.** From the start, your position will be attacked by those who say the last thing states should do in a recession is raise taxes. A debate over why they should or shouldn’t is a loser. Just say that most states in this recession, as in past recessions, *did* in fact raise taxes because they realized the need for a balanced approach; states in all parts of the country raised taxes, states run by Democrats and states run by Republicans; their economic performance was just as good as the states that didn’t. In other words, this is an argument you’re not trying so much to win as to neutralize. In the process you convey that raising taxes isn’t the wacky idea that opponents claim it to be, but rather a proven, practical response. There is room in this to make the Stiglitz-Orszag case that some tax increases are better for the economy than deep budget cuts, but even here the context isn’t that “taxes are good,” just that they are less damaging.

There’s a corollary to this. Not only won’t the policies for which you advocate hurt your state’s economic prospects, they will help them. Without taking that all the way to saying that raising taxes will improve economic performance (not that it’s untrue; just that people don’t believe it), you can point out that the worst thing a state can do in a recession is to weaken the public services that a strong economy needs, like education, health care, transportation, and public safety. You can frame as: if we cut kids off from medical care, if we put college out of reach, if we fail to invest in our transportation system, then when prosperity does return we won’t be positioned to benefit.

- **Don’t base your argument on “fairness.”** It means different things to different people. Some people think it’s fair to only pay for services you use. Some think anything that helps someone else isn’t fair. We’re

on more solid ground talking about a revenue system that meets our needs, that invests in the future, etc., rather than one that is more “fair.” You can give specifics though, like expressing the need to fix flaws like loopholes or the wealthiest pay a smaller share of their income than everyone else. Some researchers feel that saying “do what’s right” is measurably more effective than saying “do what’s fair.”

- **Don’t get sucked into an argument on the pros and cons of government.** Your pushback against the claim that tax dollars are wasted by government isn’t a defense of government and programs. Instead it should be more along the lines of, “the middle class is struggling and taking away health care and educational opportunity only makes it worse.” When you are tempted to say “funding government programs,” say “investing in our state” instead. Similarly, say “vital public services” rather than “government programs.”
- **Don’t give a list of cuts you would make.** When someone asks whether you oppose cuts or what cuts you’d agree with, you should say something like: “every state that raised taxes this year made deep spending cuts too. It’s not either-or. It’s always right to prioritize spending and see what works and what doesn’t. But to get out of this recession we need a balanced approach, not just spending cuts.” And you can come out for a specific cut by saying “instead of that we should use a balanced approach that includes revenue.” You just don’t want to say you oppose all cuts.
- **Don’t let your quote or sound bite be “we need to raise taxes...”** Again, make it be “We need a balanced approach that includes revenue.” If there’s time for more, it should be something like, “because that’s how we can meet people’s needs today and make sure our economy is positioned for when prosperity returns.”

## Putting it Together

<b>DON'T SAY</b>	<b>DO SAY</b>
<b>We need to raise taxes to fill the budget hole.</b>	<b>This is a once-in-a-lifetime economic crisis that requires bold steps from state leaders.</b>
<b>We've already cut all we can from the budget. We need to get serious about raising revenues.</b>	<b>We need a balanced solution that protects the vulnerable and doesn't shift the burden to the middle class.</b>
<b>We need to create new revenue streams to bring stability to our tax structure.</b>	<b>We need to avoid cuts to vital services that hurt the long-term health of our families and communities.</b>
<b>We have low tax rates, so it's about time we raised it.</b>	<b>We can no longer afford expensive tax giveaways to companies.</b>
<b>Everyone needs to make sacrifices to fill the budget gap.</b>	<b>Large profitable corporations and the wealthy need to carry their share of the burden through tough times.</b>

## CONCLUSION

Much of what we need to add to the debate can be difficult to communicate and understand, not necessarily because it's overly complicated but because it challenges existing frames of reference. By employing language and strategies that polling and trial-and-error have shown have a chance to punch through to people, you can improve the odds for getting important things done.

### Helpful Links:

Video – How investments lead to economic recovery

[http://www.americanprogress.org/issues/2009/02/recovery\\_animation.html](http://www.americanprogress.org/issues/2009/02/recovery_animation.html)

Video – Monty Python

<http://www.youtube.com/v/ExWfh6sGyso>