

Tax Giveaway Misses Mark

Middle-Class Families to Get Just \$65.76 Each

A Third Way Message Memo by Jim Kessler, VP for Policy

The Problem: Progressive opposition to GOP tax cuts is perceived by many in the middle-class as being hostile to their interests.

The Strategy: Instead of defining GOP tax cuts as a sop to the wealthy, use them to brand conservative economic philosophy as damaging to the economy and harmful to the middle-class.

The Message: I have to oppose this bill because it hurts the middle-class and is bad for our long-range economy.

Conservatives are ramming through a tax bill that deals mostly with provisions that expire three years from now solely because they want to return to a message and strategy that has worked for them in the past. Like most progressives, we oppose this package, and we wanted to provide some guidance on best communicating opposition to the tax bill to middle-class and moderate Americans.

As we flesh out more fully in our recent Message Memo, *The Politics of Opportunity*, we believe that every economic message should be designed to change some of the negative views that the middle-class has developed about progressive economic policy and philosophy. Based on the findings in that Memo, here is some guidance in attacking the tax cut.

Rules of the Road:

- The middle-class is not particularly hostile to the wealthy, so progressive attacks on conservative economic plans should not target the rich themselves. Rather, it should target conservatives and their economic philosophy that the wealthy are the engine of the economy.
- The middle-class is not particularly hostile to corporations, so progressive attacks on conservative economic plans should not go after “corporate greed,” for example. Instead, it should target conservatives and their economic philosophy as fiscally reckless and damaging to our economy and middle-class growth.
- The middle-class is generally optimistic about their own economic future, so a

progressive economic message must focus on opportunity and aspiration along with our traditional themes of security and fairness.

GOP Tax Cut Facts:

You will receive many fact sheets on the GOP tax bill. We will provide you with three simple calculations:

- The typical middle-class taxpayer—that is, a taxpayer with between \$30,000 and \$75,000 in income—will receive \$65.76 from the bill.*
- The typical very wealthy taxpayer—that is, a taxpayer with over \$200,000 in income—will receive \$7,315.77 from the bill.
- For every one dollar in tax cuts that goes to a middle class person, \$111 goes to a very wealthy person.

Sample Messages:

There are many reasons to oppose this bill—the federal deficit, the inequities, the misplaced priorities. We suggest framing all of those reasons with language that describes conservative economic ideas as harmful to the middle-class and to our economy. Conversely, we suggest framing any progressive alternative as helping the middle-class grow and attain wealth and as good for the long range economy.

- *This bill is stingy and hostile to the middle-class. The average middle-class family gets a measly \$65.76, but they and their kids are saddled with billions of dollars in new national debt.*
- *We believe that the engine of the economy is the middle-class. That's why we're for a college tuition tax deduction instead of what conservatives are offering here. When the middle-class grows, attains wealth, and saves for the future, our entire economy prospers.*
- *Conservatives think that the engine of the economy is the very wealthy. That's why middle-class families get only enough for a tank of gas out of this bill, while wealthy families get more than \$7,300 each. It comes down to a differing view about what is better for the economy: helping the middle-class or helping the very wealthy.*
- *Conservatives believe that deficits don't matter. We think deficits will harm our economy and make it harder for middle-class families to borrow for college, a new home, and, ultimately, to achieve the success that they deserve.*
- *We have a difference in philosophy. They are for red ink; we're not. They think deficits are good for America; we think they hurt the economy and take opportunity away from the middle-class.*

* Based on estimates derived by the Tax Policy Center at the Brookings Institute combined with data from the IRS on the number of taxpayers within certain income brackets.

- *Increasing the deficit will reduce economic growth, make it harder for small businesses to get reasonable loans, and snatch opportunity away from the deserving middle-class.*
- *The day after interest rates rose for the 16th time since June 2004, conservatives put another log on the fire by adding more debt. They believe deficits don't matter and their bad judgment is hurting our economy and harming the middle-class.*