This document is not intended to provide “the right answers” to questions you might be asked, but rather as illustrations of how to work with values and models that FrameWorks research has proven to be effective in improving understanding of the relationship between budgets and taxes, and increasing support for progressive budgeting and taxation. (The complete MessageMemo on budgets and taxes provides a fuller explanation of these frame elements and our recommendations.) In the following, we demonstrate how an advocate might turn unproductive frames embedded in questions into opportunities to advance a more effective message. Communicators will find their own ways of putting these principles into practice.

Q: Given the current state of the economy, don’t states and the federal government have to make the same kinds of budget sacrifices that families are making?

Less Effective Response:

Most states operate under balanced-budget constraints, either constitutional or statutory prohibitions against running operating deficits. Because tax receipts plummeted in almost all states due to the recession, governors and legislators face unusually painful decisions. Most states still needed to significantly cut services and raise taxes. So states are making budget sacrifices, just like families. There is a wealth of economics literature on the relationship between taxes and economic growth. One recent summary of those studies concludes that “there is little evidence that state and local tax cuts — when paid for by reducing public services — stimulate economic activity and create jobs. …Increases in taxes, when used to expand the quantity and quality of public services, can promote economic development and employment growth.”

Analysis:
- Begins with a heavily jargoned explanation.
- Will likely trigger unhelpful, default models of government as ineffective and/or overly political.
• Repeats the family budgeting comparison, which obscures understanding of the process of public budgeting.
• Asks audience to believe something counter-intuitive to their default consumer model of taxation, without offering an alternative explanation.

More Effective Response:

This is a crucial time to be making wise decisions to prevent big budget problems now from becoming even larger — and more expensive — problems to fix in the future. So let’s take a step back and think about what budgets are supposed to do. You can think of budgets and the taxes that fund them as a kind of “forward exchange”; they are the mechanism we use to meet our needs as a society in future years, by building and sustaining the common goods we use and need — our highway system, education system, utility grid, legal system, etc. Just as we have benefited from budget decisions made in the past, we are in a position to create the future.

One way to create this strong future is to continue to make fiscal decisions that will support economic growth and build a strong future tax base. There is a wealth of economics literature on the relationship between taxes and economic growth. One recent summary of those studies concludes that “there is little evidence that state and local tax cuts — when paid for by reducing public services — stimulate economic activity and create jobs.” This is because cutting taxes too deeply damages the forward exchange process by lessening our ability to support and sustain key common goods such as infrastructure repair. These same studies found that modest tax increases that are targeted wisely toward expanding and improving these public goods can promote economic development and employment growth.

Analysis:
• Uses Prevention value to orient thinking toward solutions and shift perspective toward long-term public good.
• Uses Forward Exchange simplifying model to explain how budgets and taxes are connected, and to shift thinking toward a longer term exchange over time.
• Avoids default thinking about government by not evoking considerations of bureaucracy and taxes as the means for funding that bureaucracy.
Q: Many polls have suggested that Americans think the tax system is unfair. How would you go about making the system fairer?

Less Effective Response:

We can make the system fairer by making it more progressive. The wealthiest people in the United States pay little to no taxes today, while ordinary wage earners like you and me can’t escape from paying high taxes, ranging from a third to half of our earnings! Add to that the tremendous complexity and inefficiency of our system, and you have a disaster on your hands.

Our income tax reform proposal is progressive. It won’t raise tax rates on the middle classes to pay for tax reduction for the rich. You can get almost all of the benefits of flat tax proposals — in terms of simplicity, economic efficiency, and the fairness of the tax base — without abandoning our longstanding commitment to moderate progressivity in tax burdens. The wealthy can and should pay more.

Analysis:

- Stays inside the Fairness frame which has been shown to align with the belief that “flat” taxes are fair.
- Further reinforces the public’s underlying assumption that “flat” taxes are fair taxes.
- Reinforces destructive beliefs about government as unfairly taxing and fails to address the budget side of the equation.

More Effective Response:

Our current system isn’t working as well as it could, so we need reforms now to prevent even bigger problems later. In this country, we have developed a system of budgets and taxes to ensure that the public goods we rely on — schools, roads, the legal system, public health and safety — are available far into the future. Just as those who came before us planned for our needs, we have a responsibility to make sure the system works not only today but for the next generation. Our proposals to improve the budget process and reform income tax are simple, efficient and effective, building on our tradition that everyone contributes to this system of forward exchange through taxes, and those taxes are, in turn, spent wisely to benefit us all.
During a recession, a good strategy to pursue is to ask those who have benefited more during the good times to contribute more now. This ensures that the forward exchange process continues, and we secure our future ability to sustain the important priorities in our state budget by making investments that promote more widely shared prosperity over the long term.

Analysis:
- Replaces the less effective orienting value of Fairness with that of Prevention.
- Forefronts the discussion with budgets and so avoids triggering consumerist notions of taxes — namely, that we pay in now for immediate benefits.
- Uses the Forward Exchange simplifying model to allow people to see the connection between budgets and taxes, overcoming default considerations of government as wasteful and bureaucratic.

Q: Many people say that we are asking government to do too much; that many services can be run more efficiently by privatizing them. Given the strain on the current budget, isn’t this a viable option?

Less Effective Response:

Promoters of privatization claim that the introduction of competition will increase efficiency, reduce costs, and improve quality and customer satisfaction. While we have long supported modernization of government services, we doubt the ability of private companies to deliver better services at a lower cost. We also oppose the deep cuts being made to the government workforce. We embrace the goal of providing cost-effective, high-quality public services. When public sector employees work toward this goal, taxpayers benefit, as numerous models of public sector innovation indicate. We should treat government workers as assets to develop, not costs to cut.

Analysis:
- Cues cultural model of bloated, ineffective government.
- Triggers consumer cultural model by linking budget issues to services.
- Misses opportunity to increase understanding of government and how it works.
More Effective Response:

We inherited the many common goods we enjoy today — our roads and bridges, our schools and universities, our public utility systems — through the budget planning of those who went before us, as well as the taxes they paid. We now have the same responsibility to plan for and support these goods for future generations. This is a critical, collective enterprise that requires decision-making by citizens and their elected representatives, and accountability from the public sector. If this responsibility shifts into the control of private businesses, we lose the opportunity to participate in this ongoing forward exchange, and accountability is lost.

Analysis:
- Uses the Forward Exchange simplifying model to explain how taxes and budgets function.
- Reminds reader of the collective nature of government and its core functions.

Q: What do you think of proposals to increase the sales tax?

Less Effective Response:

Many working families are finding it increasingly hard to make ends meet, as the nation’s economy continues to suffer. By taxing the basic necessities of life, we tax low-income people deeper into poverty. Everyone should shoulder a reasonable share of government spending. The heaviest load shouldn’t fall on those least able to pay, the way it would if we rely more on sales taxes.

Analysis:
- Immediately relates taxes to individual needs, obscuring the public purpose of budgeting and taxation.
- Further individualizes the impact of taxation by suggesting that taxes can impoverish.
- Triggers unhelpful thinking about wasteful government spending.

More Effective Response:

In order to take care of our fiscal difficulties now, we can’t just consider a single part of the picture or focus on the short term. We have to look at the
whole landscape, now and into the future, so that we can prevent budget problems from growing. A good public budget is one that plans for the future and for the unexpected. And we can say that good taxes are the ones that allow a community to pay for the public goods and services for which it has planned. Sales tax expansion can mean many different things, including expanding the sales tax to more types of services. We can be strategic about this expansion, carefully considering its contribution to attaining long-term public priorities.

Analysis:
• Uses the idea of prevention planning for the future.
• Immediately orients toward a bigger picture, collective view of public budgets and taxation.
• Connects taxes to long-term budgeting decisions.

Q: Recent budget projections suggest that current patterns in U.S. spending and revenue can’t be continued over the long run. Decisions must be made between cutting spending and raising revenue. What is the best path forward?

Less Effective Response:
If we don’t dramatically shift the country’s budget priorities, we will not get out of this crisis. The bottom line is that government spending is completely unsustainable, and both cutbacks and increases in taxes are necessary to avoid falling off a cliff. We have to consider government spending caps that would help avoid future drastic budget cuts and a restructuring of government that would save taxpayer dollars.

Analysis:
• Uses a Crisis frame.
• Combines budgets and taxes without explaining sufficiently how they are connected.
• Cues up consumerism (“save taxpayer dollars”).

More Effective Response:
It’s important to take hold of our fiscal problems now, before they become bigger and more unmanageable. Congress needs to work with the White
House to immediately develop a credible plan to bring deficits down to a manageable level over the coming decade – beginning only after the recovery has clearly taken hold. They must address the major structural deficiencies in the current fiscal system that are currently undermining its sustainability, and chief among these are our health care system and Social Security. The savings that we are able to achieve in those systems will determine whether there will be more or less room for spending for other budget priorities.

Analysis:
- Uses value of Prevention to get past crisis thinking and focus on solutions.
- Focuses on the role of budgets as tools to establish and execute shared priorities, overcoming “individualist” thinking about budgets.

Q: What do you think of the strategy of ignoring the ballooning federal deficit and its future impact in order to stimulate the economy now?

Less Effective Response:

Although the recovery law significantly increases short-run deficits, the fiscal effects of the bill over the long run are tiny. That’s because the tax cuts and new spending in the law are temporary. The main driver of the nation’s long-term budget shortfall is ongoing factors, the most notable of which is steadily rising health care costs.

By the end of next year, 2.5 million more people will have jobs than would have been the case if the recovery law had not been enacted. In addition, millions of others will benefit from the higher incomes produced in an economy that is less weak than it otherwise would have been. The economy clearly needed the boost in demand that the new spending and tax cuts generate. Failing to provide this boost due to fear of very slightly increasing the long-term budget problem would have been foolish.

Analysis:
- Begins with a jargoned explanation of deficits, fiscal effects, tax cuts, temporary spending and the like.
- Doesn’t help people think more thoughtfully about budgets as representing public priorities.
- Downplays real concerns about deficit size.
- Restates the unhelpful frame of crisis or intractable problems ("increasing the long-term budget problem," “increases short-run deficits”).

**More Effective Response:**

We believe in the simple principle of prevention. In other words, we should use our resources wisely today to prevent bigger fiscal problems tomorrow. So we need to address the real underlying causes of our budget deficit, and not get distracted by the short-term and temporary debt we are incurring to solve our nation’s economic woes.

By the end of next year, 2.5 million more people will have jobs and will be contributing to the economy than would have been the case if the recovery law had not been enacted. In addition, millions of others will benefit from the higher incomes produced in an economy that is less weak than it otherwise would have been. The economy clearly needed the boost in demand that the new spending and tax cuts generate. Failing to provide this boost now will lead to even more costly fiscal problems in the long run.

**Analysis:**
- Uses a value of Prevention to frame the issue as collective and solvable.
- Offers a long-term view of the impact of budgeting and taxation.
- Takes a positive, problem-solving approach.