

Support for Biden's Tax and Economic Plans

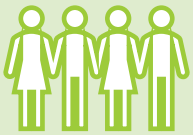
Findings from a Nationwide Online Poll of Registered Voters

June 2021

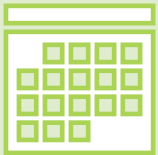
Survey Methodology



ALG Research and Hart Research conducted a nationwide online survey of registered voters. Interviews were conducted in English and Spanish.



The survey consisted of N=1104 respondents, including a base sample of n=805 registered voters and an n=299 oversample of Independents.



Interviews were conducted May 20-25, 2021.



The 95% confidence interval for the base sample is +/- 3.45 percentage points. The 95% confidence interval for subgroups varies and is higher.

Key Findings (1 of 2)

- Ensuring that the wealthy and corporations pay their fair share in taxes is a top priority for voters, matching “creating jobs” and substantially ahead of rebuilding infrastructure in importance.
- By a 29-point margin voters believe raising taxes on the wealthy will *help* the economy, and fully 69% favor raising taxes on the wealthy and corporations.
- President Biden’s core revenue proposals are very popular: 67% favor raising taxes on those earning \$400K+ and 62% favor raising the corporate tax rate to 28%. Indeed, every proposal tested that raises taxes on the wealthy and corporations is supported by at least 55% of voters, with most generating over two-thirds support.
 - 72% support closing the loophole that allows the wealthy to avoid paying taxes on investment gains (“step up basis”).
 - 70% support raising the corporate tax rate on foreign profits from 11% to 28% to equal the tax rate on domestic profits
- By a 7-to-1 ratio voters prefer funding Biden’s economic plan by raising taxes on the wealthy and corporations over borrowing and increasing the debt.
- Support for President Biden’s economic plan grows by 7 points when voters learn about key investments, but grows even more – by 11 points – if they are also told the plan is funded by higher taxes on the wealthy and corporations.
- By a 10-point margin, voters continue to support Biden’s economic plan after exposure to both strong opposition attacks on the plan and positive messages, though by a smaller margin.

Key Findings (2 of 2)

- The clear top tax-related message in favor of the president's economic plan highlights how 55 of America's biggest corporations paid no federal income taxes last year and that the president's plan rewards work, not wealth:

55 of America's biggest corporations paid no federal income taxes last year and the wealth of just 650 billionaires rose by 50%, all while millions of working Americans suffered. This plan will help build an economy that rewards work, not wealth, and ensure the wealthy and big corporations pay their fair share of taxes.

- Support for Biden's tax proposals stems from voters' belief that the wealthy and corporations get special treatment, more than concern about income inequality. Voters respond most strongly when we emphasize closing loopholes for the wealthy and corporations or cracking down on their tax cheating.
- A second tier of effective messages focus on how Biden's tax proposals will help fund important investments, how it will help discourage outsourcing and create jobs at home, and how it will help small businesses.
- Highlight the fact that Biden's plan does not raise taxes on anyone making less than \$400K, a quality that is even more popular than making the wealthy and corporations pay their fair share.
- Opposition criticism of Biden's economic plan that focuses on its impact on the debt and inflation proves very effective, one of a number of signs throughout the poll of rising concern over consumer prices and the debt.
- Focus persuasion efforts on voters who are either undecided on the president's economic plan (16%) or moved by messaging on it (17%) -- these persuadable voters are disproportionately female, non-college educated, and under 50.

Recommended Messaging to Strengthen Support for Biden's Tax and Economic Plans

Suggested Core Message

- 55 of America's biggest corporations paid no federal income taxes last year and the wealth of 650 billionaires rose by 50%, all while millions of working Americans suffered.
- This plan will help build an economy that rewards work, not just wealth, by ensuring that the wealthy and big corporations pay their fair share of taxes.
- The plan will not raise taxes on anyone making under \$400,000 a year.

Supplemental Message Options

- The plan will allow us to invest in creating jobs by rebuilding our infrastructure and helping small businesses, and in making healthcare, childcare, and college more affordable.
- The plan will close tax loopholes for the wealthy and corporations that encourage corporations to outsource jobs and shift profits to offshore tax havens.

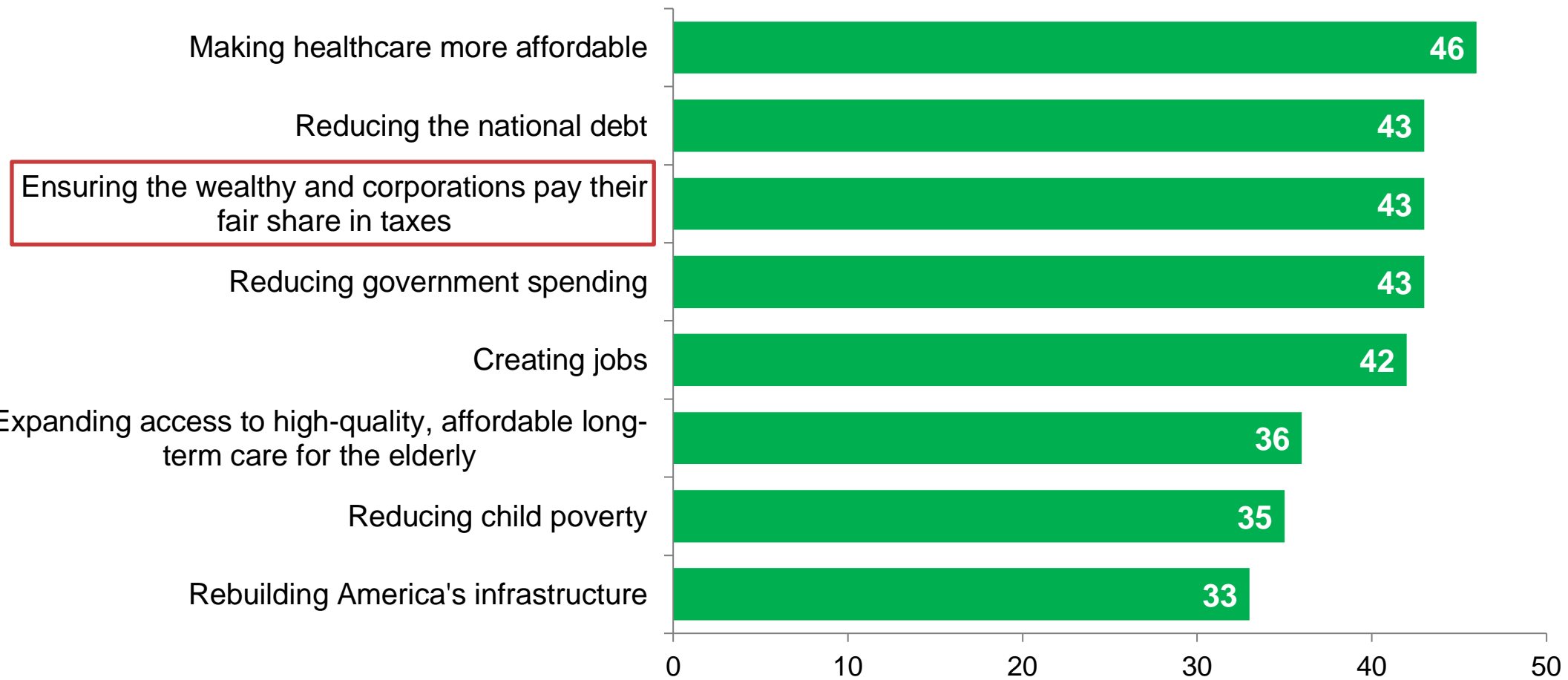
ISSUE ENVIRONMENT

“Ensuring the wealthy and corporations pay their fair share in taxes” is a top tier priority for voters of the 20 issues tested, on par with “creating jobs” and well-above “rebuilding America’s infrastructure.” It also ranks well-ahead of elder care and reducing child poverty.

Issue Priorities for the President and Congress: Top Tier

■ Extremely Important Priority

INDEPENDENTS	
Making healthcare more affordable	46
Reducing the national debt	38
Ensuring the wealthy and corporations pay their fair share in taxes	41
Reducing government spending	37
Creating jobs	38
Expanding access to high-quality, affordable long-term care for the elderly	33
Reducing child poverty	32
Rebuilding America's infrastructure	32



“Ensuring the wealthy and corporations pay their fair share in taxes” is seen as much more important than “reducing income inequality,” “lowering tax rates across the board,” or “creating a fairer tax system.”

Issue Priorities for the President and Congress: Taxes and Inequality

■ Extremely Important

Ensuring the wealthy and corporations pay their fair share in taxes

43

Creating a fairer tax system

33

Lowering tax rates across the board

29

Reducing the wealth gap between rich and poor

28

Reducing income inequality

26

INDEPENDENTS

41

34

27

22

17

0 10 20 30 40 50

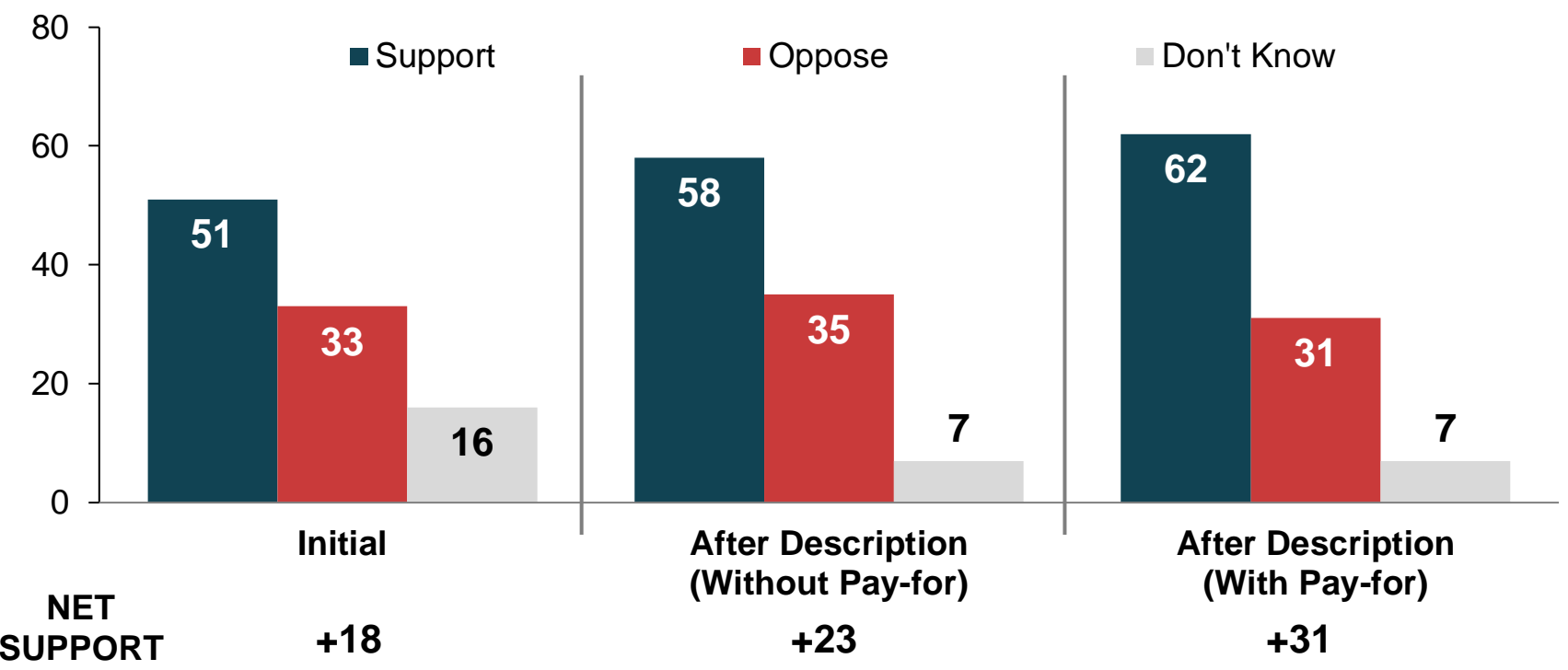
BIDEN'S ECONOMIC PLAN

Support for the economic plan rises 4-points higher when a description includes language about the plan being funded by higher taxes on the wealthy and corporations than when it does not.

The biggest gains from the description are with GOP women, non-college Indies and women, and Whites <35.

Biden's economic plan would aim to create millions of good paying jobs by rebuilding America's roads, bridges, and other infrastructure, strengthening American manufacturing, ending tax breaks that encourage corporations to offshore jobs, helping small businesses recover, and expanding the use and development of clean energy. It would also make healthcare premiums, childcare, and housing more affordable, would increase investment in public education and long-term care for the elderly, guarantee at least 12 weeks of paid family and medical leave, and support middle-class and low-income families with children. The cost of this plan would be roughly \$4 trillion. [It would be paid for by raising taxes on corporations and those earning over \$400,000 a year. It would not raise taxes on anyone making less than \$400,000 a year.]

Biggest Econ. Plan Support Gains	
Shift in % Support*	
Overall	+9
White Republican Women	+20
Non-college Independents	+18
White Non-college Women	+18
White 18-34	+16



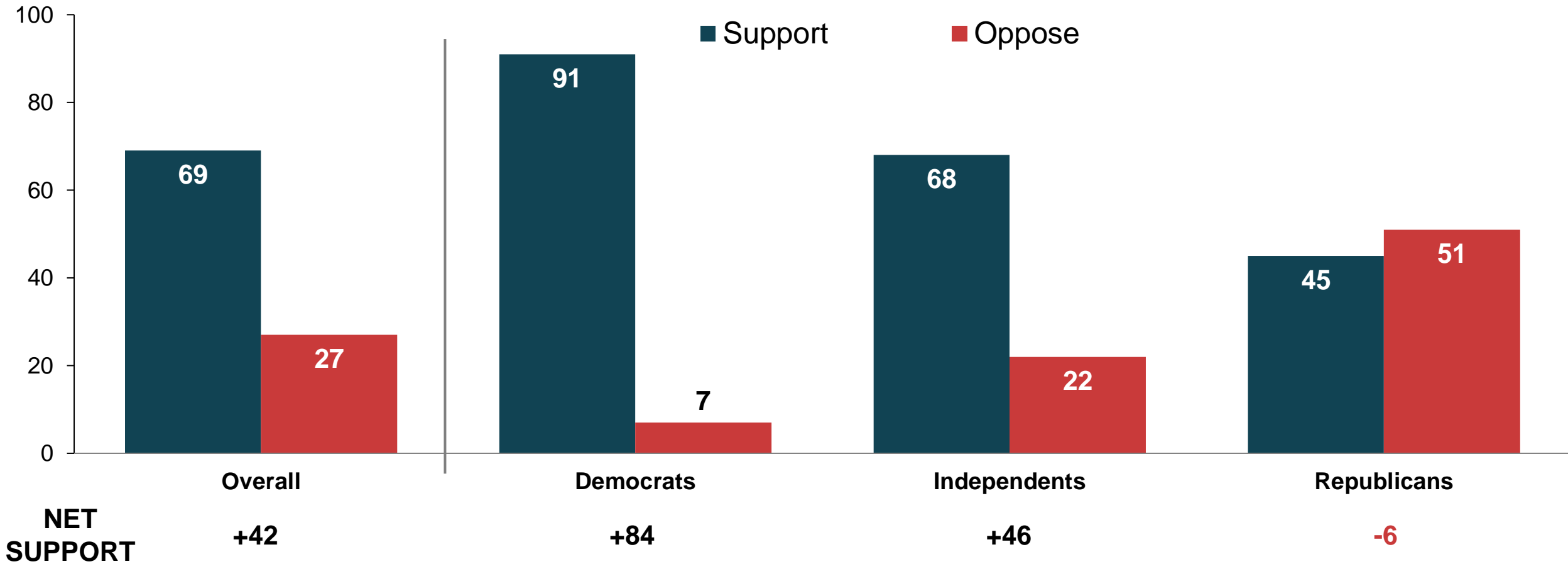
*Average of support with and without pay-for mention

Nearly seven in ten voters support raising taxes on the wealthy and corporations in general.

68% of Independents and 45% of Republicans support raising their taxes.

Support for Raising Taxes on the Wealthy and Corporations

“Do you support or oppose raising taxes on the wealthy and corporations?”

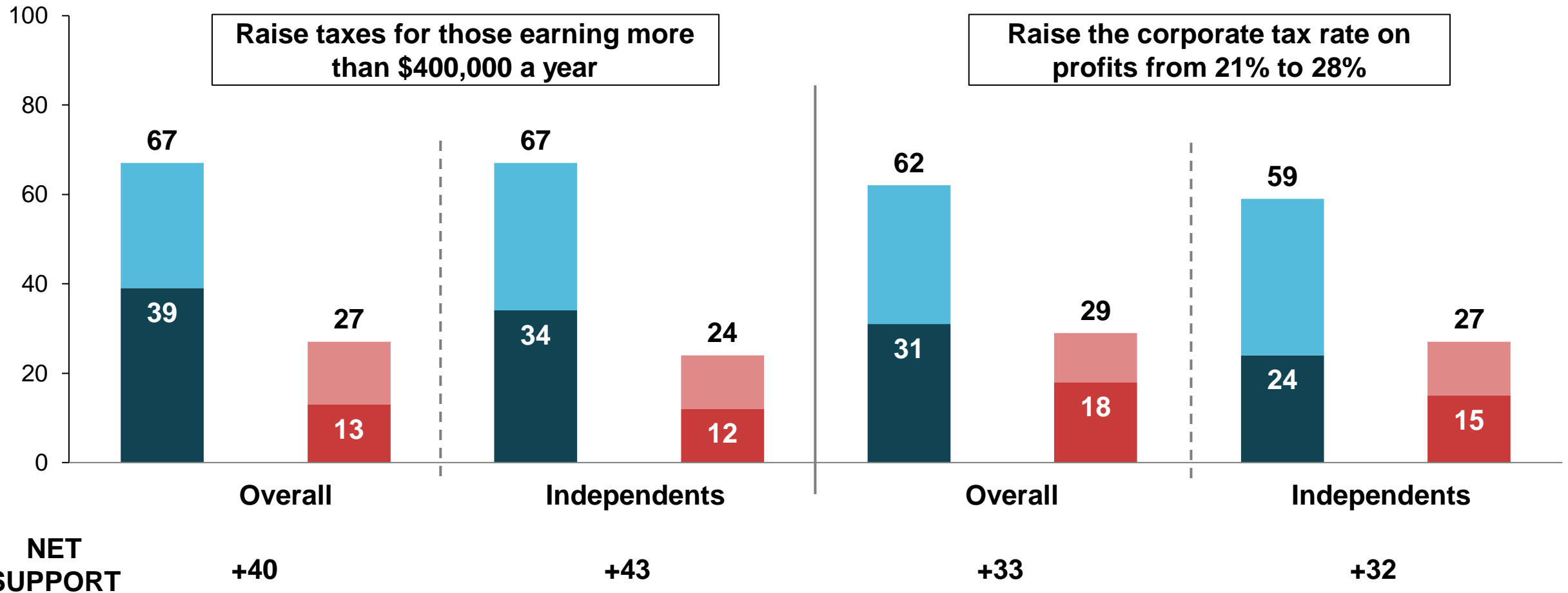


There is broad support for President Biden's proposals to raise taxes on those earning over \$400K a year (67%) and to raise the corporate tax rate to 28% (62%).

Independents support these proposals nearly as strongly as voters overall.

Support for Raising Taxes on those Earning More than \$400,000 and the Corporate Tax Rate

■ Support - Strongly ■ Support - Somewhat ■ Oppose - Strongly ■ Oppose - Somewhat



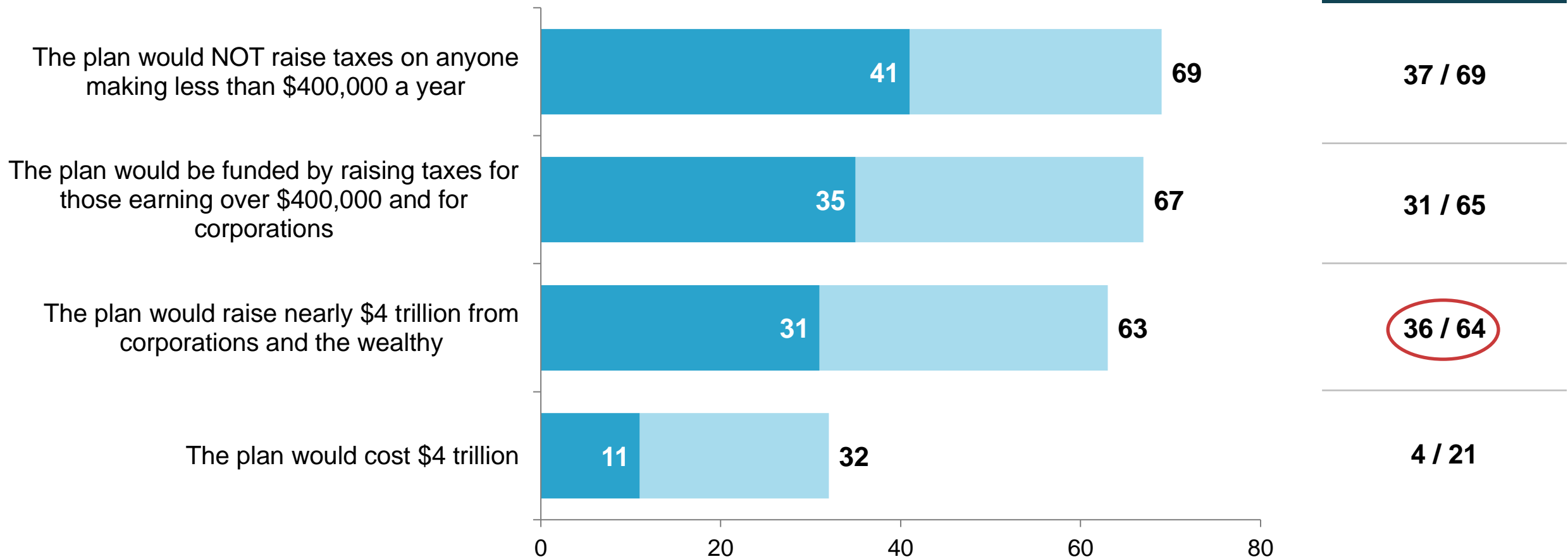
That Biden's plan would NOT raise taxes on those making less than \$400K is important to highlight. It makes over two-thirds of voters more favorable to his plan, as does that it will be funded by raising taxes on the wealthy and corporations.

How the plan will be paid for is a net positive even when the total cost is included, which is a drag on its own.

Please indicate if this [element of President Biden's economic plan] makes you feel much more favorable, somewhat more favorable, somewhat less favorable, or much less favorable about the plan.

■ Much more favorable ■ Somewhat more favorable

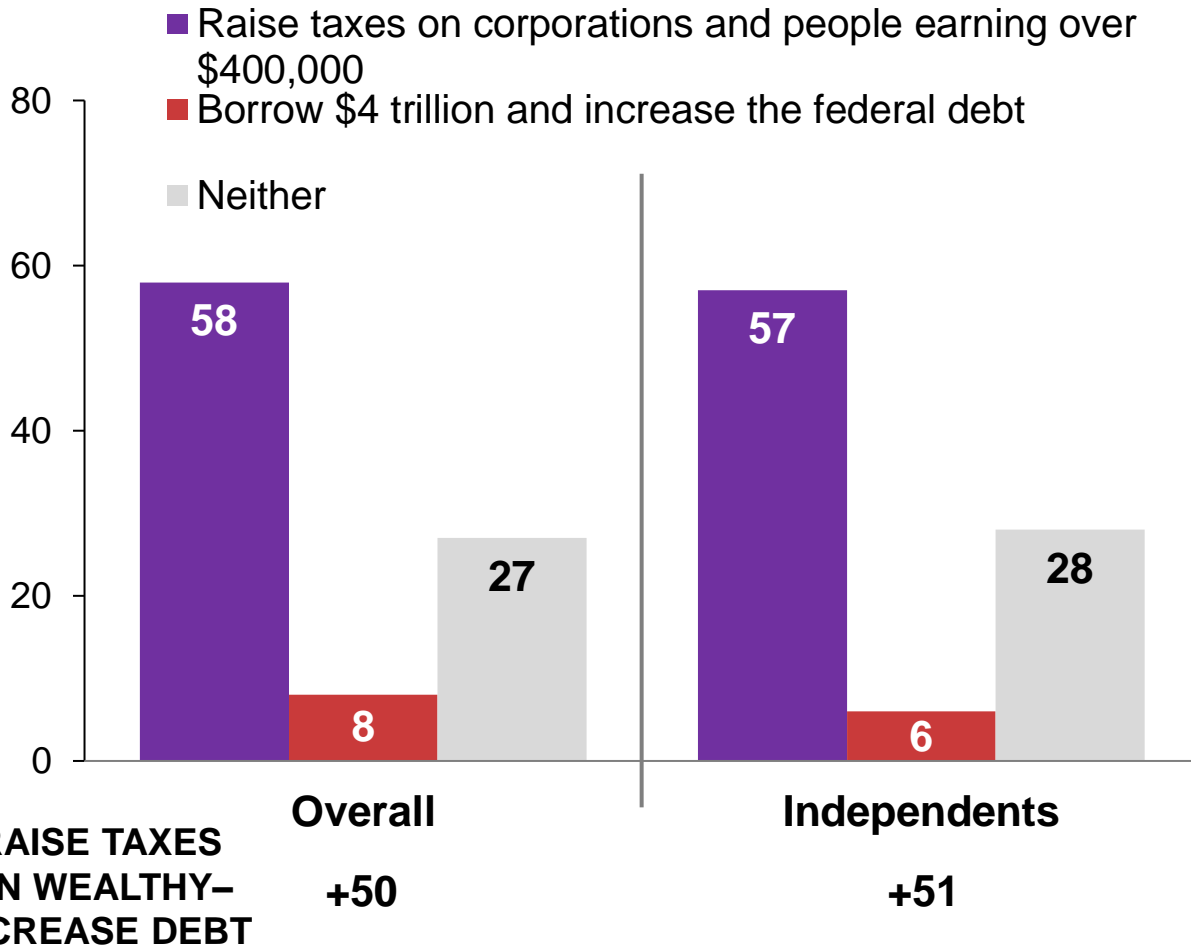
**MUCH MORE / MUCH
+ SMWHT MORE**
INDEPENDENTS



By a ratio of more than 7:1, voters would rather have Biden’s economic plan paid for by raising taxes on the wealthy and corporations than by borrowing \$4 trillion and adding to the debt.

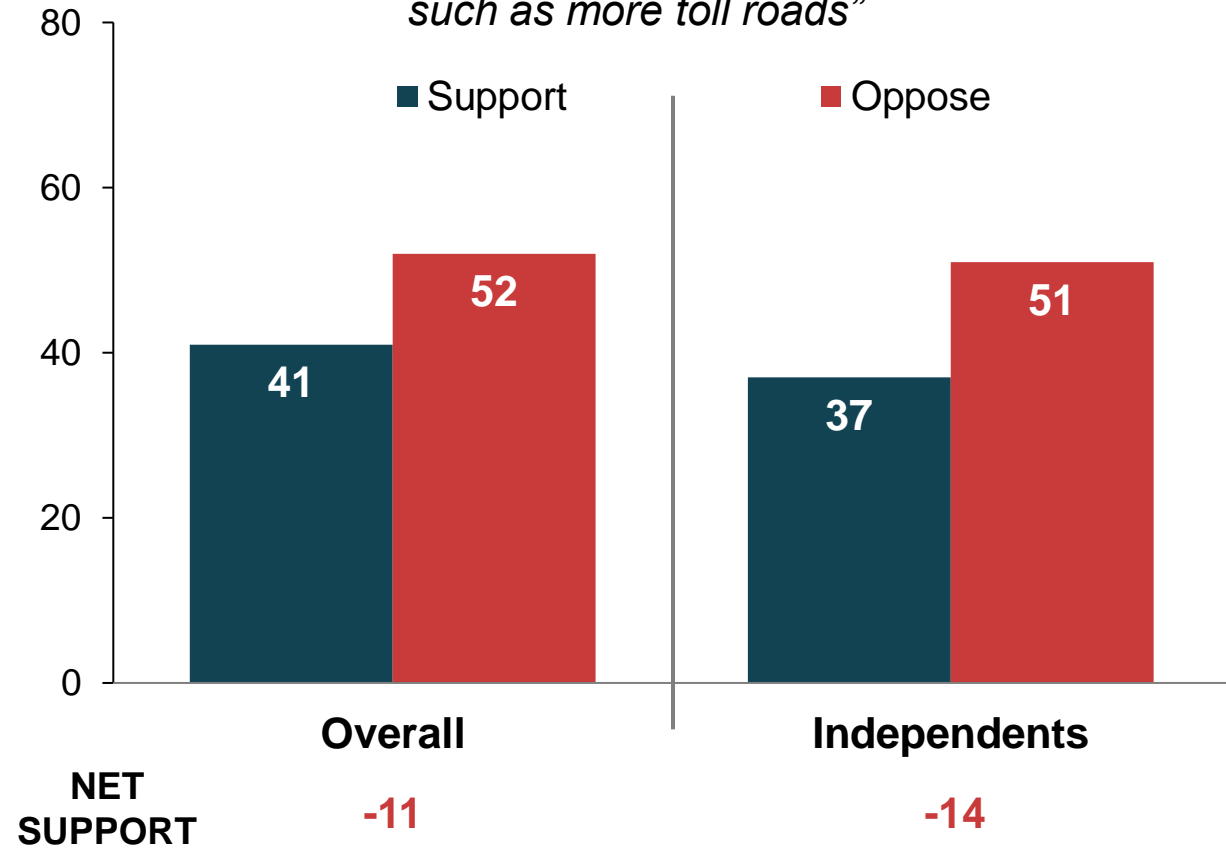
A majority of voters also oppose expanding user fees as a revenue raiser.

Which of these do you think is the better way to pay for President Biden's economic plan?



Support for Expanding User Fees for Highways and Bridges

“Expand user fees for highways and bridges, such as more toll roads”



Voters believe that raising taxes on those earning \$400K or more will *help* the economy by a 29-point margin.

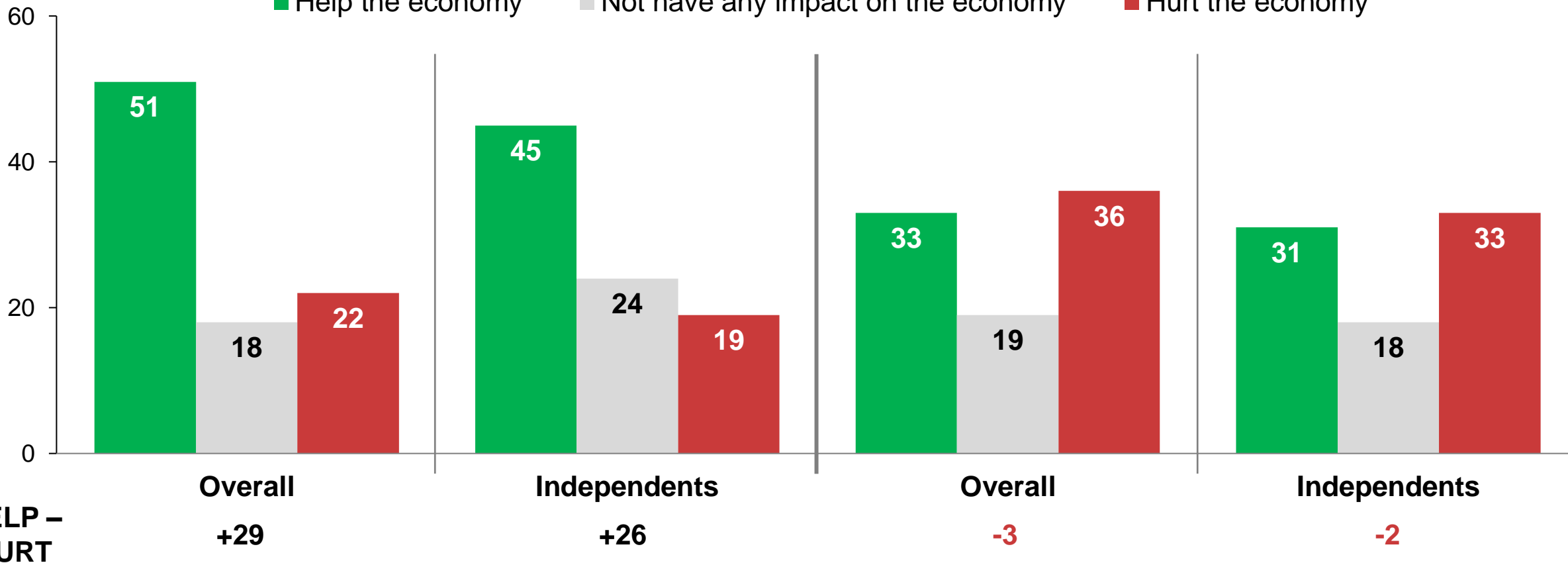
They are mixed on the impact of raising taxes on corporations, but just over a third believes it will hurt the economy.

Do you think raising taxes on _____ right now would:

“Those earning over \$400,000 a year”

“Corporations”

■ Help the economy ■ Not have any impact on the economy ■ Hurt the economy



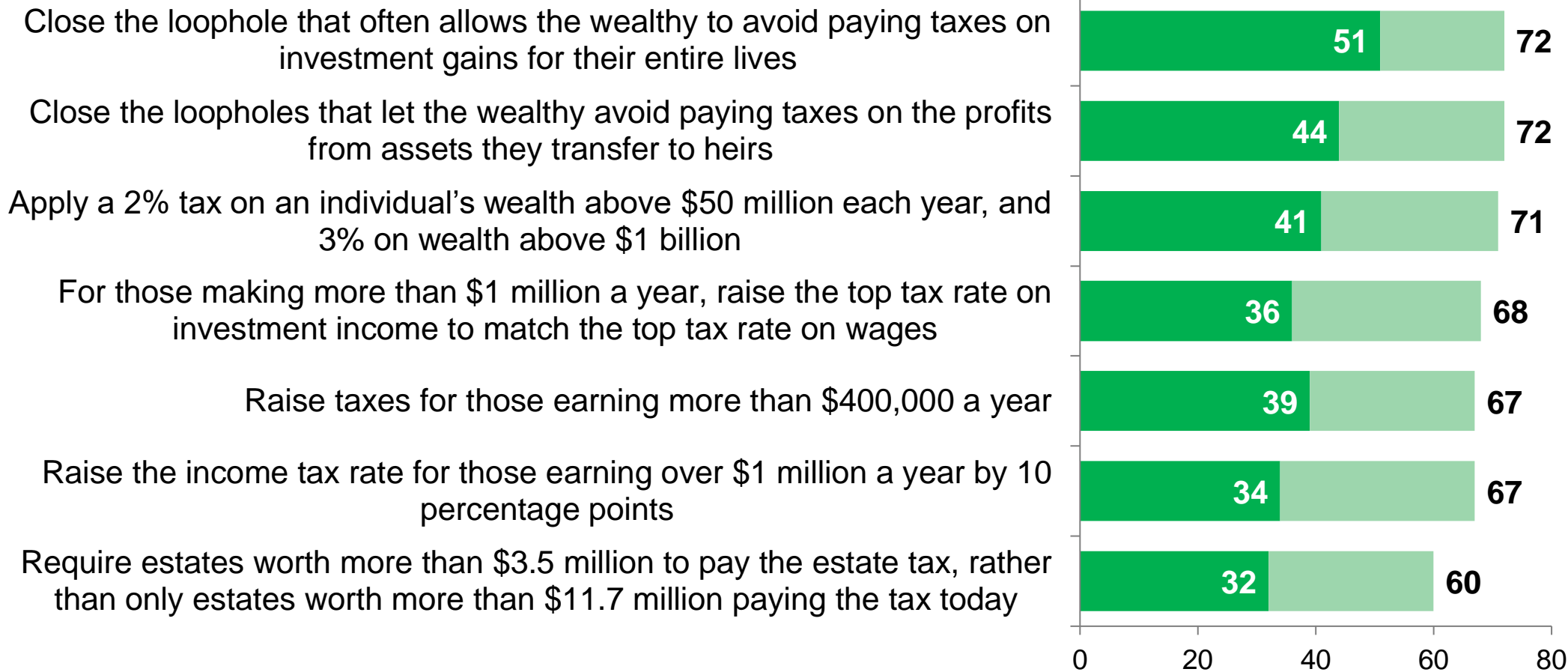
HELP –
HURT

TAX PROPOSALS

Proposals to raise taxes on the wealthy generate strong support across the board. A wealth tax and raising income and investment taxes on the wealthy are supported by more than two-thirds of voters.

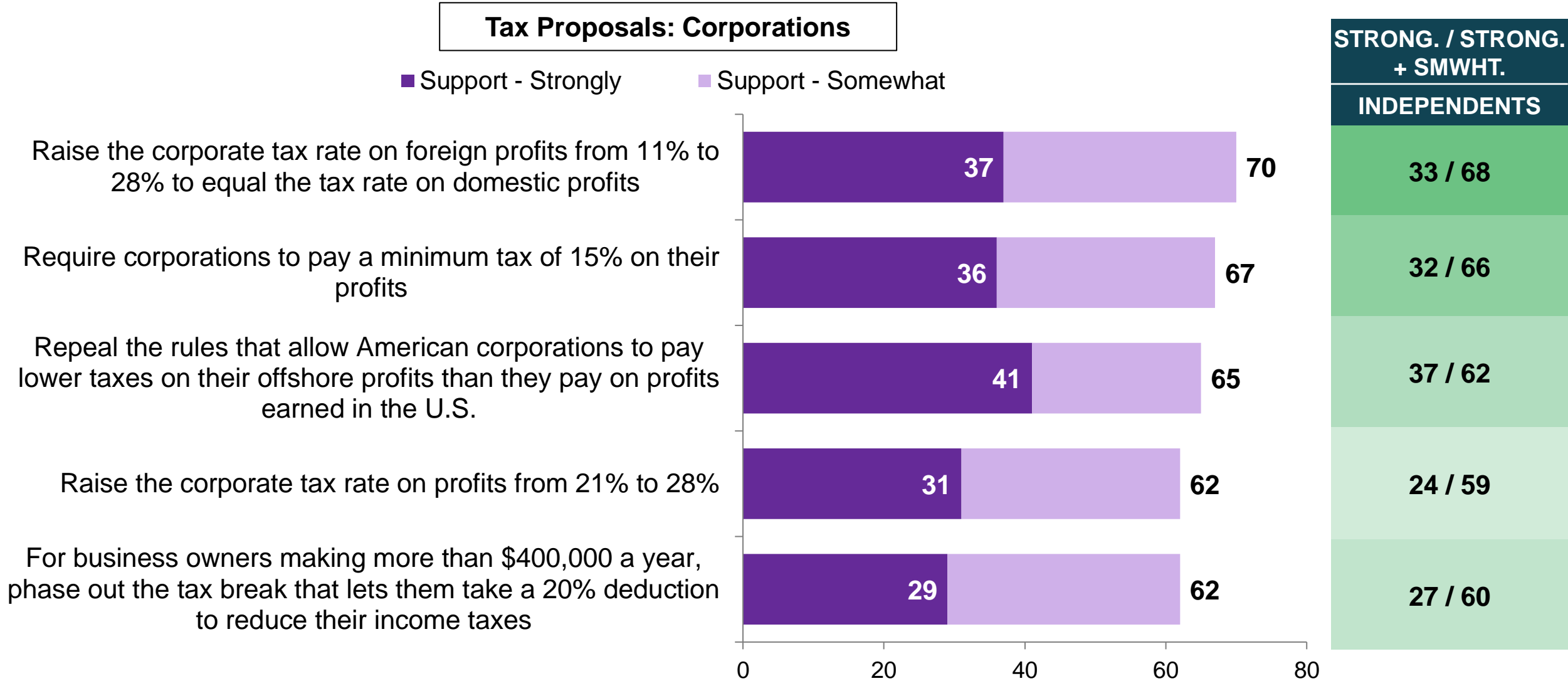
Tax Proposals: The Wealthy

■ Support - Strongly ■ Support - Somewhat



STRONG. / STRONG. + SMWHT. INDEPENDENTS
50 / 70
42 / 71
40 / 65
35 / 66
34 / 67
29 / 60
29 / 53

Each corporate tax proposal tested is supported by over 60% of voters.

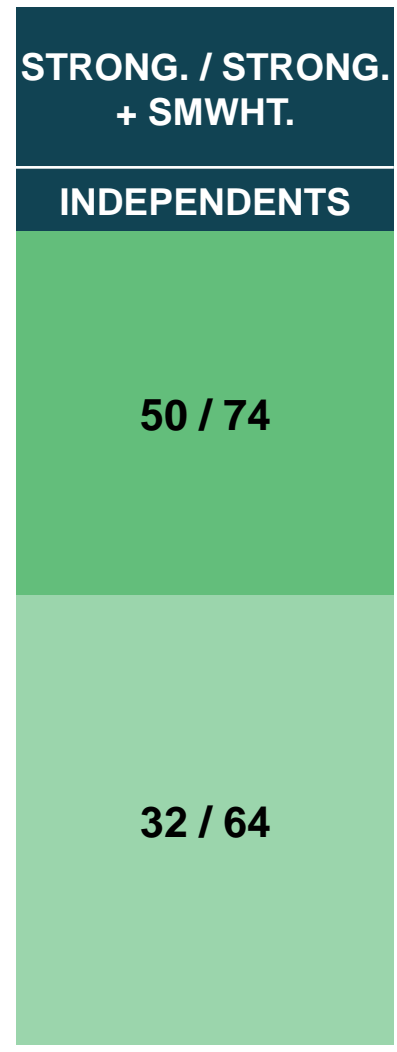
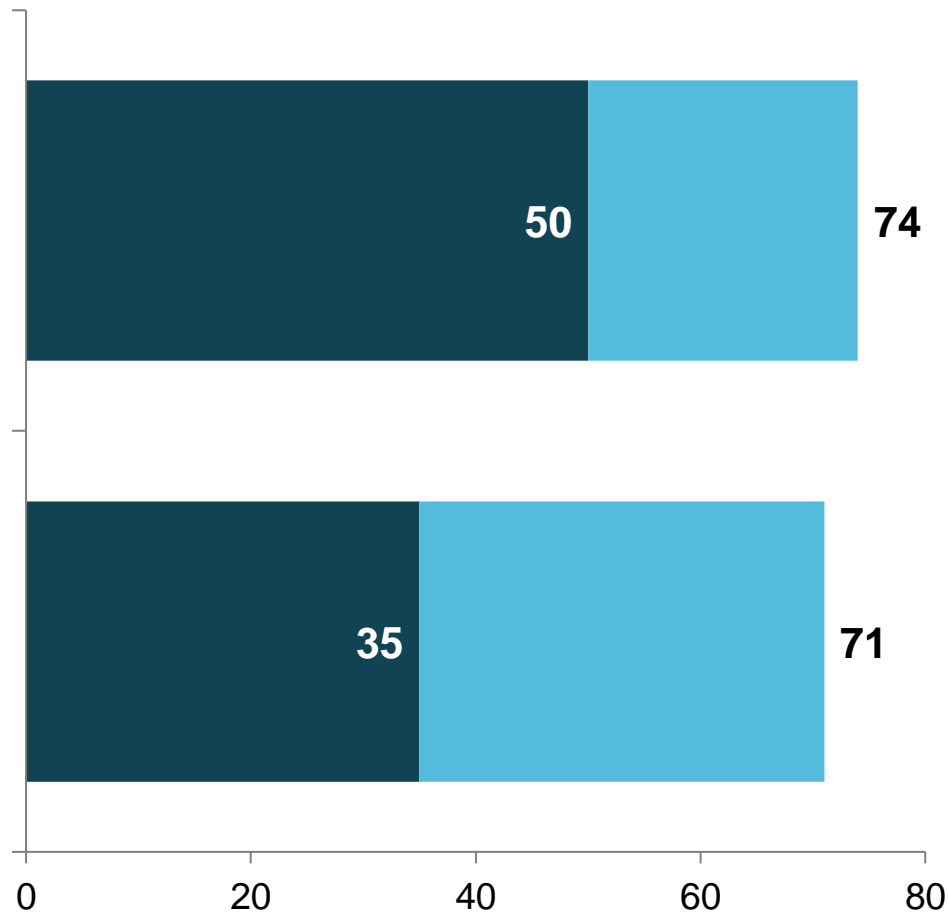


There is also strong support for strengthening the IRS and giving it more resources to ensure that the wealthy and corporations pay their fair share. There is robust support for these IRS proposals among Independents as well.

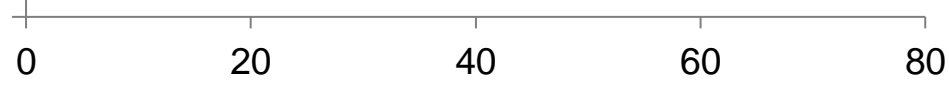
Tax Proposals: IRS

■ Support - Strongly ■ Support - Somewhat

Strengthen IRS enforcement to ensure that the wealthy and corporations aren't evading their taxes



Give the IRS more resources to audit the wealthy and corporations



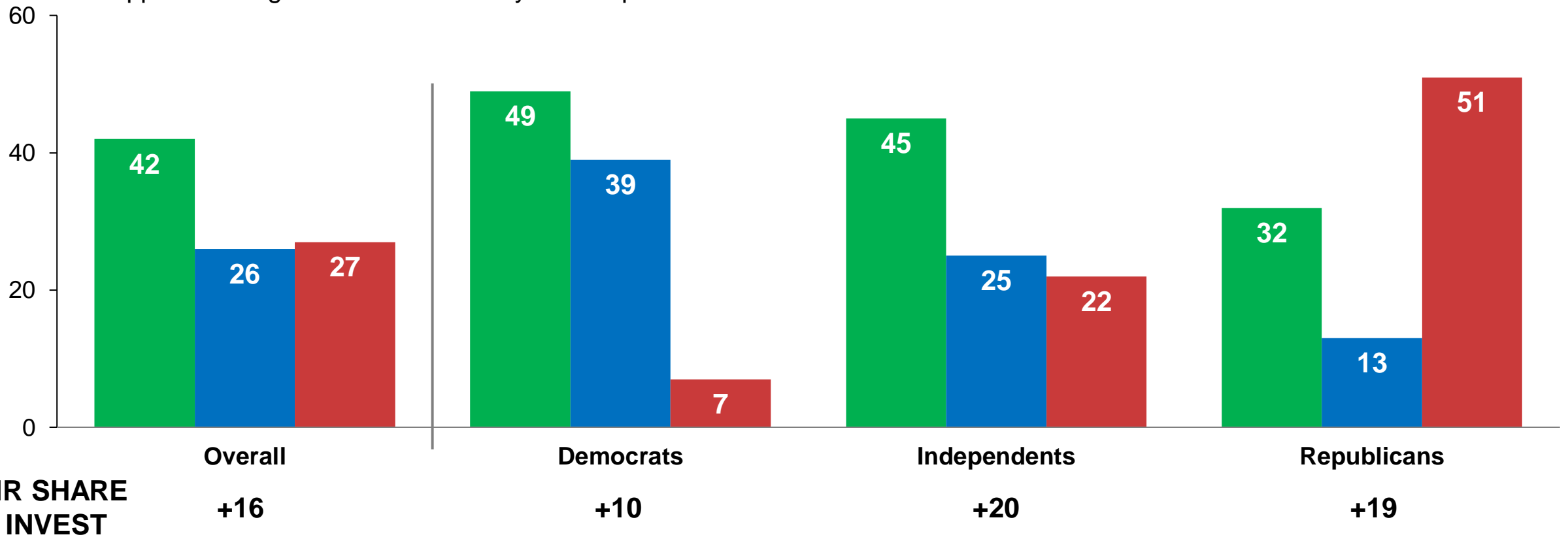
POSITIVE MESSAGING ON BIDEN'S PLAN

By a 16-point margin, voters believe making “the wealthy and corporations pay their fair share of taxes” is a better reason to raise taxes on the wealthy and corporations than “funding investments in key priorities.”

The emphasis on fairness over investments is even more pronounced with Independents.

Which of the following do you think is a better reason to raise taxes on the wealthy and corporations?

- To create a fairer tax system in which the wealthy and corporations pay their fair share of taxes
- To fund investments in key priorities like creating jobs, strengthening public education, and making healthcare more affordable
- Oppose raising taxes on the wealthy and corporations



MaxDiff Exercise

- Respondents were shown 11 different positive messages about President Biden's economic plan.
- Respondents saw a series of 9 "screens," each with four different messages per screen.
- Respondents were asked to select the message they found to be the **STRONGEST REASON** to support President Biden's economic plan and the message they found to be the **WEAKEST REASON** to support the plan.
- Each message was seen at least three times – against different messages each time.
- The MaxDiff exercise generates over 19,000 data points, which are used to identify the relative strength of each message.

On each of the following screens you will find some statements from supporters of President Biden's economic plan.

For each screen, please select the statement that you find to be the **STRONGEST REASON** to support President Biden's economic plan, and then select the statement that you find to be the **WEAKEST REASON** to support President Biden's economic plan.

In order to help us best understand your views, you will see each of these statements more than once in different combinations in the following screens.

(1 of 9)

STRONGEST REASON		WEAKEST REASON
<input type="radio"/>	The wealthiest 1% of Americans own nearly 40% of the country's wealth. This plan will reduce wealth inequality by raising taxes on those earning over \$400,000 a year while keeping tax rates for everyone making less than that the same.	<input type="radio"/>
<input type="radio"/>	To create an economy that works for all of us, we must reduce racial inequality. This plan will help close the racial wealth gap by making the wealthy and corporations pay their fair share so we can increase investments small businesses, affordable housing, and education in communities of color.	<input type="radio"/>
<input type="radio"/>	We need to repeal those parts of the 2017 tax law that benefited corporations and the richest 1%. The law was a huge windfall for corporations and those at the top that added \$2 trillion to the deficit, threatening funding for Social Security, Medicare, and Medicaid.	<input type="radio"/>
<input type="radio"/>	This plan will eliminate tax breaks that encourage corporations to outsource jobs and shift profits to offshore tax havens, and will invest in strengthening American manufacturing, helping to keep and create more American jobs here at home.	<input type="radio"/>

Click the 'Next' button to continue...

Among voters overall and key subgroups, the clear top tax related message in favor of the president's economic plan highlights how *55 of America's biggest corporations paid no federal income taxes last year* and that the president's plan *rewards work, not wealth*. This message is about 20% more effective than the next best message, and 30% better with Independents.

Positive Messaging on Biden Economic and Tax Plans: Top Message Score*	Overall	Persuadable on Plan**	Ind.	Voters of Color
<p><u>55 of America's biggest corporations paid no federal income taxes last year</u> and the wealth of just 650 billionaires rose by 50%, all while millions of working Americans suffered. This plan will help build an economy that <u>rewards work, not wealth</u>, and ensure the wealthy and big corporations pay their <u>fair share of taxes</u>.</p>	12.2	12.0	13.1	11.4

*Scores incorporate the "STRONGEST REASON" and "WEAKEST REASON" results. An item with a score of 10 is twice as effective as an item with a score of 5.

**Those who are undecided on Biden's plan or shift to support or shift off support following messaging

While the top message is focused on fairness, two messages that include the value of investments also test very well.

We should drop the total cost of the plan when using this messaging.

Positive Messaging on Biden Economic and Tax Plans: Tier Two – Investments Score	Overall	Persuadable on Plan	Ind.	Voters of Color
<p>This plan will create an economy that works for all of us by requiring corporations and the wealthy to pay their fair share of taxes so we can <u>invest \$4 trillion in infrastructure, clean energy, public education, and make healthcare, childcare, college and housing more affordable for working families.</u></p>	9.9	9.9	9.7	10.7
<p>This plan will make the wealthy and corporations pay their fair share by eliminating the 2017 tax cuts for those earning over \$400,000 a year and by closing corporate tax loopholes so we can <u>invest in creating jobs, strengthening public education, and making healthcare more affordable.</u></p>	9.6	9.8	9.8	10.0

The second tier also includes messages focused on jobs: how the plan’s tax proposals will discourage outsourcing and help create jobs at home, and how they will help small businesses.

Positive Messaging on Biden Economic and Tax Plans: Tier Two – Jobs Score	Overall	Persuadable on Plan	Ind.	Voters of Color
<p>This plan will eliminate tax breaks that encourage corporations to <u>outsource jobs and shift profits to offshore tax havens</u>, and will invest in strengthening American manufacturing, helping to <u>keep and create more American jobs</u> here at home.</p>	9.7	9.3	9.5	9.0
<p>This plan will help <u>small businesses recover and compete with big corporations</u>. It will close loopholes that allow big corporations to avoid paying their fair share of taxes and provide more support to small businesses to get them back on their feet and <u>hire more workers</u>.</p>	9.4	9.1	9.1	8.8

Messaging on inequality is less effective by comparison.

A message on racial equity was the least effective tested.

Positive Messaging on Biden Economic and Tax Plans: Less Effective Messages Score	Overall	Persuadable on Plan	Ind.	Voters of Color
Wealthy investors pay barely half the tax rate on their profits that ordinary Americans pay on what they earn through work. This plan will end this tax break for millionaires and <u>tax all income equally</u> , whether earned through wealth or through work.	8.4	8.4	8.7	8.0
The wealthiest 1% of Americans own nearly 40% of the country's wealth. This plan will <u>reduce wealth inequality</u> by raising taxes on those earning over \$400,000 a year while keeping tax rates for everyone making less than that the same.	8.4	8.3	8.4	8.4
We need to <u>repeal those parts of the 2017 tax law that benefited corporations and the richest 1%</u> . The law was a huge windfall for corporations and those at the top that added \$2 trillion to the deficit, threatening funding for Social Security, Medicare, and Medicaid.	8.3	8.3	8.6	8.6
To create an economy that works for all of us, we must <u>reduce racial inequality</u> . This plan will <u>help close the racial wealth gap</u> by making the wealthy and corporations pay their fair share so we can increase investments in small businesses, affordable housing, and education in communities of color.	6.6	6.9	6.2	7.8

OPPOSITION MESSAGING

The strongest negative against Biden’s economic plan focuses on its impact on the debt and inflation. This is a strong hit that raises intense concerns with nearly half of voters.

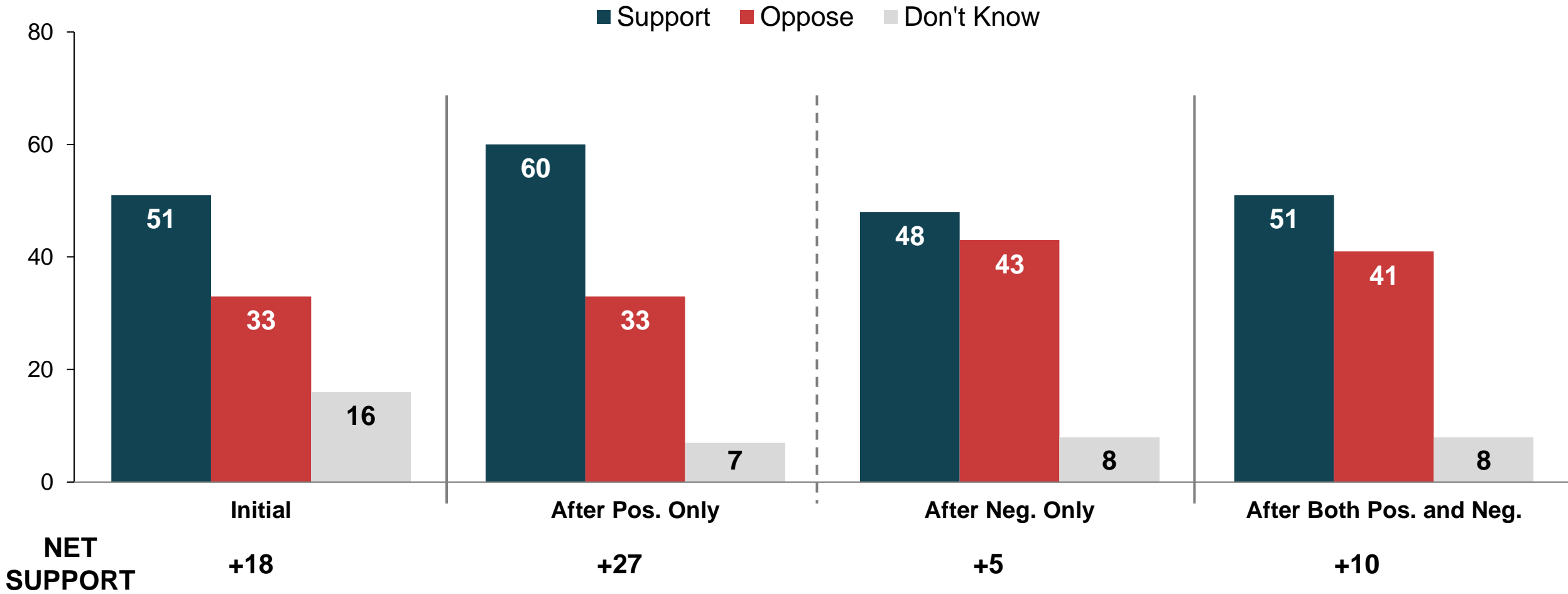
An attack on the total amount of government spending proposed by Biden is also effective.

Negative Messaging on Biden Economic Plan: Most Effective Hits <i>% Raises Very Serious Concerns about Plan</i>	Overall	Persuadable on Plan	Ind.
<p>This plan's massive amount of government spending will lead to <u>increased debt and inflation</u>, driving down the value of workers’ paychecks while driving up the cost of food, housing, and gas.</p>	49	50	43
<p>After spending \$6 trillion in pandemic relief, Americans just can’t afford another \$4 trillion in <u>big government spending</u>, which will kill the economic recovery, cost jobs, and blow up the federal deficit.</p>	42	37	38

Following attacks and positive messaging on Biden's plan, voters still support the plan, but the support margin narrows to 10 points

Support rises to 60% after only positive messaging and drops to 48% after only negatives.

Impact of Messaging on Support for Biden Economic Plan

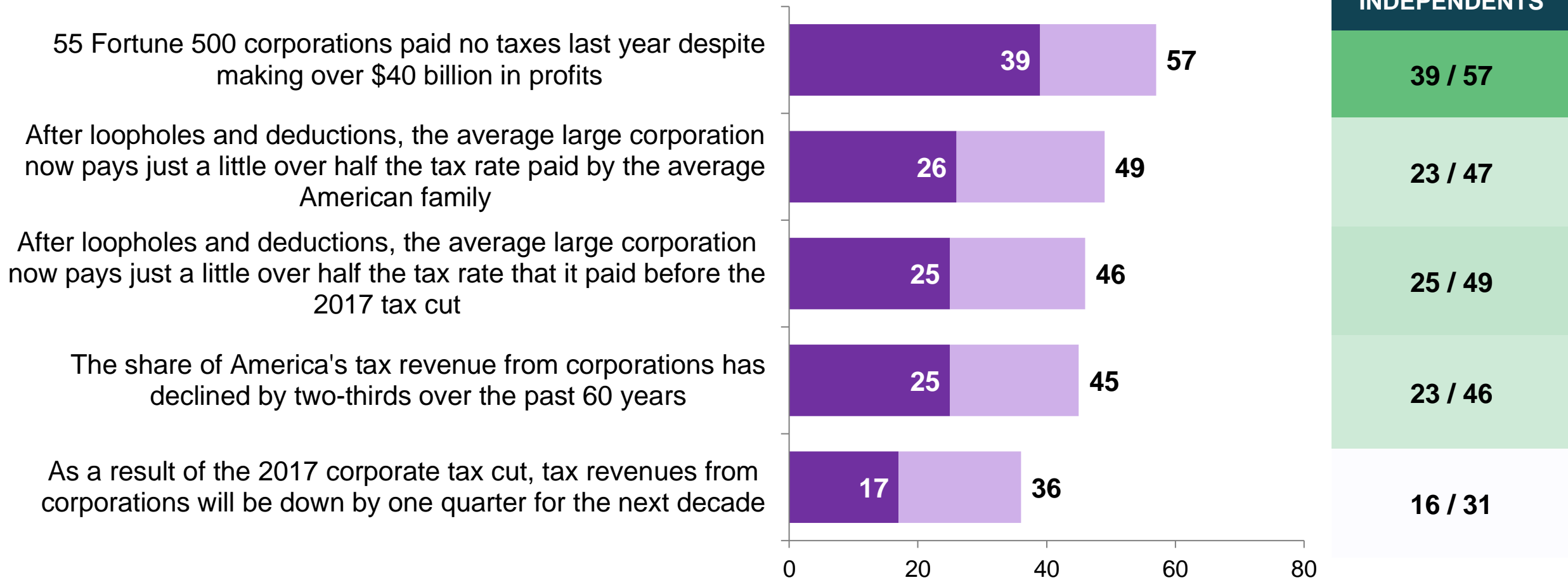


MESSAGING ON RAISING TAXES ON CORPORATIONS AND WEALTHY

Highlighting that “55 Fortune 500 corporations paid no taxes last year despite making over \$40 billion in profits” is clearly the strongest message to use to make the case for raising taxes on corporations.

Reasons to Raise Taxes on Corporations

■ 10 - Extremely strong reason to raise taxes on the wealthy and corporations ■ 8-9

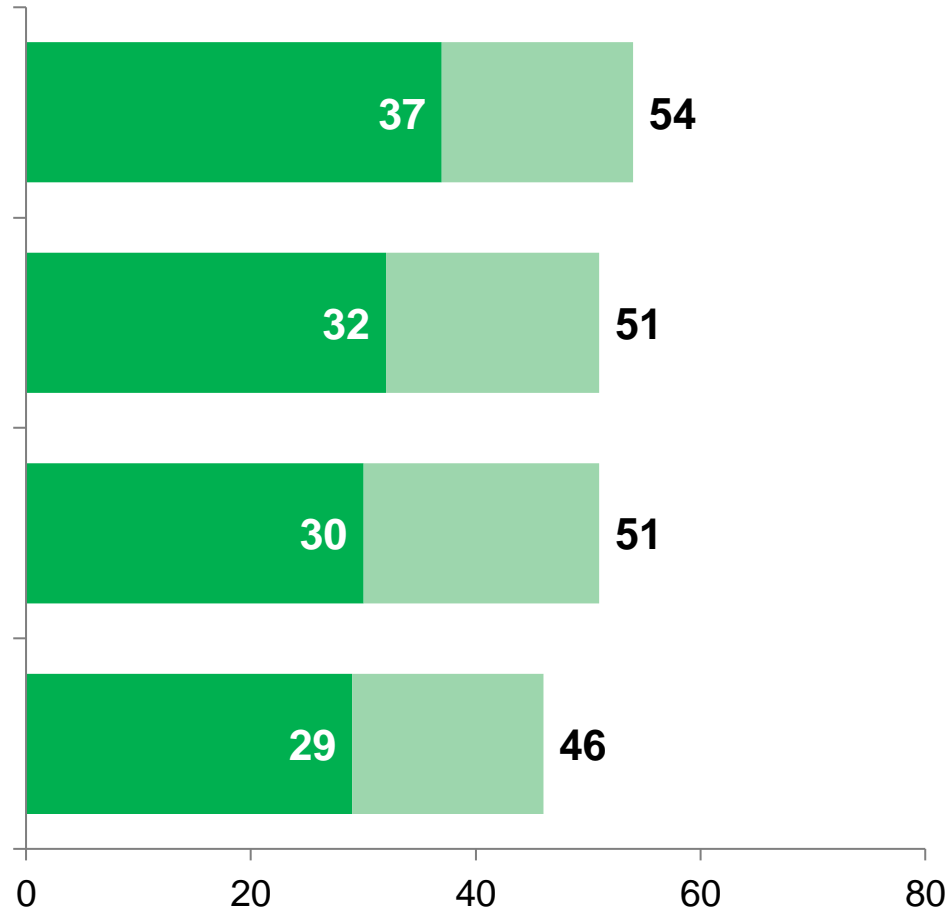


That the richest 1% cheat on their taxes more and evade \$175 billion in taxes each year is seen as slightly more effective than other messages to make the case for raising taxes on the wealthy.

Reasons to Raise Taxes on the Wealthy

■ 10 - Extremely strong reason to raise taxes on the wealthy and corporations ■ 8-9

The richest 1% cheat on their taxes more often than regular people, and they evade \$175 billion in taxes every year



RATING 10 /
RATING 8-10

INDEPENDENTS

31 / 43

30 / 51

30 / 46

26 / 43

IMPACT OF WORDING DIFFERENCES

“Raising taxes” on the wealthy is more effective language to use than “eliminating the 2017 tax cuts” or “partially reversing tax cuts.”

Raise Taxes vs. Partially Reverse Cuts vs. Eliminate Tax Cuts

