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“Keep Government Out of My Medicare”: The Elusive Search for Popular Support of Taxes and Social Spending

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Dec. 14, 2012**

The financial crisis and attendant job losses, as well as the aging of the population, have intensified pressure on social insurance, work supports, and other government benefits that spread risk and supplement the imperfect income security provided by wages. Reliance on these programs extends well beyond the poor, and in recent years has spread further into higher income groups.¹ Despite the broad reach of what is often referred to as the “social safety net,” Americans continue to have conflicted and contradictory attitudes about the relationship between tax burdens and social welfare benefits. In a front-page New York Times article on February 11, 2012, Binyamin Appelbaum and Robert Gebeloff chronicled a series of interviews with people –sometimes anguished—who spoke out against taxes and government spending and wanted to reduce the role of government in their own lives, and yet acknowledged they depended significantly on public pension, disability, or medical benefits to meet their basic needs.

Internally contradictory attitudes about taxation, distributive justice, and social spending have been analyzed extensively by social scientists. When Norton and Ariely (2011) asked American survey respondents to construct an ideal distribution of wealth between the five quintiles, respondents chose one that was far more equitable than the existing distribution. In Norton and Ariely’s words, “Americans prefer Sweden.” At the same time, voters often support tax cuts. Californians surveyed during the height of the state’s tax revolt of 1978-80 said they wanted smaller government and lower taxes, but steady or expanded government services (Sears and Citrin 1985). In a different study more than a decade later, Larry Bartels (2005) observed that respondents in the 2002 National Election Survey said they believed the increase in income inequality over the previous two decades had been a bad thing, yet among those who expressed an opinion on the 2001 Bush tax cut, supporters outnumbered opponents 2 to 1. Bartels labeled this phenomenon “unenlightened self interest.” The strongest predictor of support for the tax cut was a respondent’s subjective belief that they paid too much in taxes: they believed the tax cut was in their own self-interest. In reality, for most households, any benefit from the tax cut was doubtful, or at least debatable.

How do we reconcile the tension between most Americans’ desire to reduce income inequality, in part by maintaining an adequate social safety net, with their ambivalence, sometimes hostility, toward paying taxes? Bartels found that well-

¹ Households in the lowest-income quintile received 54% of federal transfer payments in 1979 and 36% in 2007 (Congressional Budget Office, 2011).

informed voters were less likely to support the tax cut than those who were ignorant about the facts concerning the extent of income inequality and the nature of Bush's tax cut, but more information did not always make a difference. For example, negative attitudes towards the estate tax were robust to differing levels of awareness about its distributional consequences.

Social scientists disagree over whether and how public opinion affects policy change. The pluralist, or "bottom-up" view is that ordinary citizens can have a real influence on politics through the instrument of voting – to reward or punish politicians depending on whether they act in conformance with public preferences. This is counterpoised to the "top-down" model, which assumes political elites control policy change. Most theorists recognize some interaction between the two, with debate centering around which factor dominates, and under what conditions (Hacker and Pierson 2005).

If public opinion matters to policy, then, the question of how voters form opinions about taxes and social spending, and what might explain their inconsistencies, is critical. Extensive and lively debates persist within political science, sociology, law, economics, and psychology over how mass publics form opinions about the role of the state in mediating economic equality through both taxation and welfare institutions. And yet, these multiple discourses are not always in dialog with each other. One aim of this chapter is to identify several key themes that reappear across disciplinary and subject boundaries. Specifically: information about taxes and spending is complex and may be hard for ordinary citizens to fully apprehend, cognitive limitations hamper people's capacity to process the information ways that are always consistent, and symbolic politics play a critical role in shaping preferences about both taxes and government benefits. Understanding the layered cognitive and emotional geography of these issues is essential to thinking about policy reform.

A second aim of this chapter is to explore where these insights might take a policy maker who seeks to increase support for public programs that strengthen income security. In significant ways, the implications for policy reflect the messiness of the problem. I consider two ways a policy maker might respond, taking account of what current research tells us about tax and spending attitudes. The first is to try to design tax and welfare institutions in ways that counteract cognitive bias. The second is to raise public awareness by advertising the benefits of popular government programs. As my analysis will show, however, the task of locating a "debiased" state of the world is elusive, and both indeterminacy of outcome and concerns about democratic legitimacy may plague the debiasing endeavor. The final part of the chapter is less an exercise in matching diagnosis to solution than an effort to locate within this larger landscape of preference-formation the recurring phenomenon of grassroots mobilization of voters around issues of taxes and spending. I briefly examine the rise of the Tea Party movement in shaping public discourse after the financial meltdown of 2009, and contrast it with a potential counter-movement concerned centrally with income inequality, Occupy Wall Street.

Such mobilizations can have a potent effect on public opinion, but I argue can be both consequence and cause of ambivalence in public debates about taxes and social spending.

The Cognitive and the Affective

Alan Lewis, in his 1982 book *The Psychology of Taxation*, observed that making sense of public attitudes towards taxation requires an understanding of both cognitive and affective dimensions (70). The “cognitive” aspect of attitudes refers to what people know or perceive they know about the facts. The affective dimension refers to people’s emotional reactions. The boundaries between them can be blurry. Lewis’s focus is taxation, but his framework can fruitfully be expanded to encompass a parallel analysis of attitudes towards government spending on social welfare programs.

i. Taxes

People are prone to make errors about taxes. In part this is because they lack full information about the tax system. Complexity and common cognitive errors also affect people’s judgment. For example, people lack a good sense of how much tax they pay (Blendon *et al.* 2003; Hansen 1983, 180-91; Lewis 1982, 49; Shaviro 1990, 58).

The psychological *salience* of a tax – how prominent or visible it is – affects how people assess it in forming political judgments.² McCaffery and Baron (2005) have shown experimentally that how a tax is presented – e.g., its timing and frequency, whether presented in absolute or percent terms, collected through withholding or lump-sum assessments, what it is called, whether its incidence is transparent or obscure—significantly influences how people react to it. Some taxes – such as the income tax – have high salience. The process of annual preparation and filing, for example, makes citizens very aware of it. The classic mode of collecting property tax – typically one check per year, often quite large because it is collected all at once – makes it highly visible as well (Cabral and Hoxby 2012). By contrast, the corporate tax (whose incidence is obscure) and payroll tax (which has been politically framed as a “contribution” rather than a tax, withheld at the source, involves no paperwork,

² Two recent reviews in the legal literature on the extensive and growing body of scholarship on tax salience are Gamage and Shanske (2011); Schenk (2011). Both are careful to distinguish political salience (how much voters pay attention to a tax when making political judgments) from market salience (how much attention individuals pay to a tax when making a market decision, e.g., purchasing or working). This chapter’s focus is political salience, but extrapolates a fair amount from the much richer empirical literature on market salience.

and is partly employer-paid) have lower salience (McCaffery 1994, 1876-77; Schenk 2011, 275-76; Sheffrin 1994).

The symbolic or affective dimension also plays a very important role in the formation of attitudes about taxes. People tend to be “tax averse”: they find coerced government extractions in the form of tax more unpleasant than the same economic loss framed in a different manner (Fennell and Fennell 2003; Rosenberg 1996). Merely calling something a tax rather than something else (e.g., a fee, payment, or offset) can cause an adverse reaction (Hardisty *et. al* 2010; McCaffery 1994, 1878). Highly visible taxes like the property tax are unpopular compared with lower-salience taxes (Sheffrin 1994; Shaviro 1990; Cabral and Hoxby 2012).

Symbolic meanings help explain the conflicting impulses evident in public attitudes about taxation, spending, and distributive justice. Symbolic meanings can shape politics because strongly held affective predispositions can be triggered automatically by certain cues, or “attitude objects” with relevant symbolic meaning (Sears 1993, 114). Taxation is one such “attitude object” that triggers strong emotions. Shaviro (1990, 58) argues that the combination of ignorance and complexity makes it impossible for citizens to assess trade-offs, thus leaving space for symbolic politics to dominate. A central trope is that of the vulnerable taxpayer pitted against the behemoth public fisc. People sympathize with resistance to the tax collector, and this, along with unrealistic hopes of upward mobility, reinforces opposition to tax, even while for some it is contrary to self-interest. These are not the only symbolic narratives triggered by taxation. I will return below to the importance of symbolic politics when I discuss tax revolts and the rise of the Tea Party movement.

ii. Distributive Justice and Social Welfare Spending

A parallel set of phenomena influence the formation of social preferences about distributive justice and social welfare spending: information is incomplete and complex, cognitive biases and errors skew preferences, and affective factors shape people’s attitudes.

As a starting point, Americans underestimate the degree of income equality in the United States (Norton and Ariely 2011). So, too, people lack complete information on the nature and benefits of public sector spending, some of which can be quite indirect (Lewis 1982, 71; Gamage and Shanske 2011, 92). Shaviro’s (1990, 59) remark that “the public apparently believes that government services can be provided for free” may exaggerate the point, but it remains true that people support tax cuts without spending cuts in part because they experience the tax overtly but connect it to spending in only a very indirect way (Morgan 2007, 29-30). As Fennell and Fennell (2004) argue, the spatial, temporal, and rhetorical separation between the payment of tax and the receipt of benefits makes it hard for the taxpayer to recognize government benefits as a reciprocal *quid pro quo* for the tax extraction.

Even if they say they support downward distribution, people have trouble grasping the concept of progressivity (Sheffrin 1994, 332) and the notion that taxes and spending – not just one or the other-- operate jointly in determining net distributive outcomes (Lewis 1982, 71; McCaffery and Baron 2005, 1768-72). As a result people may say they favor a particular distributive outcome but choose policies whose features are inconsistent with it.

And just as taxes may be more or less salient depending on how they are presented, so too may benefits. For many people, when they think of government benefits, they think of direct expenditures, i.e., direct transfers of cash or in-kind benefits. Examples are public assistance, subsidized housing, food stamps, Social Security Retirement and Disability Insurance, Head Start benefits, unemployment insurance, Medicaid, and Medicare. However, many welfare benefits take less visible forms. One could argue welfare state “spending” includes a range of tax expenditures: reductions in the amount of income taxed by the state, partially offsetting certain types of family expenses, such as mortgage interest, child care, employer-provided health insurance, or college tuition (Howard 1997).

Mettler (2011, 37) argues that ambiguity over the meaning of tax expenditures is why Americans think they receive less from the government than they do. In her poll of 1,400 Americans, when asked whether they had used a government social program, most respondents (57%) said they had not. However, when they were asked about their use of 19 specific kinds of government assistance, including a number of tax-expenditure-based targeted subsidies, such as the home mortgage interest deduction program, the Child and Dependent Care Tax Credit, guaranteed student loans, and the Earned Income Tax Credit (EITC), an overwhelming majority (94%) of those who denied having participated in any government program reported that they had in fact received benefits in at least one of these forms.

Mettler found that people who had received assistance in the form of tax expenditures were much less likely to report that they had received government benefits than those who received them directly. Although some social spending through the tax system, most prominently the EITC, is targeted at people with low incomes, a significant portion targets those who are wealthy enough to afford certain kinds of market activity, such as home ownership, business, or investment, and who have the higher income and therefore higher tax liabilities to offset (Howard 1997; Geissler and Toder 2008; Mettler 2010). In a study by Kinsey et al. (1991), survey subjects eligible for certain tax preferences-- homeowners and investors – when asked to evaluate the fairness of their tax burden, tended to focus on the potential for misuse of government power, but ignore the preferences they received.

People clearly think of tax expenditures as having a different social meaning than direct payments from the government (Kornhauser 2009, 271; Shaviro 1990, 62). Edward Zelinsky (2005) designed a study to help explain the growing practice of many communities, facing declining participation of volunteer firefighters in recent

years, to grant property tax abatements to recruit and retain volunteers. Zelinsky constructed hypothetical scenarios proposing two alternative, but monetarily equivalent, forms of compensation for volunteer firefighters: property tax reduction and cash payments. Subjects were asked whether the firefighters, if awarded the compensation by the government, could still be considered volunteers. Subjects were significantly more likely to say the property tax reduction preserved volunteer status than the cash payment. Zelinsky concluded that a “framing effect” was at work: a public subsidy when framed as tax relief appeared different, less objectionable, than when framed as a cash payment.

Haselswerdt and Bartels designed a similar survey experiment with the objective of determining whether better information about the costs of expenditures would eliminate the effect. Subjects were asked whether they approved of a government program intended to help Americans afford to own homes. Those presented with a program that would make homeowners “eligible to deduct the monthly mortgage interest from their taxable income, thereby reducing their tax burden,” were significantly more likely to voice approval than subjects told the homeowners would be “eligible for a non-repayable cash grant from the federal government.” When subjects in both groups were given the additional information that the program would cost the federal government \$390 billion over the next four years, approval rates diminished significantly but the difference in approval rates between tax expenditure and cash grant groups changed very little. Controlling for political ideology diminished but did not eliminate the difference. Thus the authors conclude that while the cost of government spending matters to people, there persists a robust preference for indirect spending over logically equivalent direct spending (*23).

In the realm of social welfare spending, too, symbolic values are important. Tax expenditures can be seen as both “tax cuts” and “government spending.” People’s aversion to the income tax may be so powerful a frame that the “tax cut” attribute of a tax preference swamps its “spending” attribute and our proverbial taxpayer facing off against the behemoth public fisc feels only vindication at reducing his tax bill rather than gratitude that he is a beneficiary of government largesse. Fears about the efficiency and trustworthiness of government are also powerful symbolic values that influence public attitudes toward government spending (Sears and Citrin 1985, 185-87). Tax expenditures, seen as “cuts,” may appeal to anti-statist sentiments by appearing to reduce the size of government while providing tangible benefits to those eligible (Howard 1997; Haselswerdt and Bartels, *23).

Finally, Americans’ paradoxical views about taxes and welfare spending in part reflect a deep ambivalence about values, with most people feeling simultaneous impulses towards egalitarianism and humanitarianism on one hand, and individualism on the other (Kornhauser 1994, 169; Kuklinski 2001, 364-65; Feldman and Zaller 1992). Americans may feel generally supportive of redistribution and egalitarianism, and yet the concept of “welfare” in particular, like “taxes,” has symbolic associations. The very mention of “welfare” may cue core

affective predispositions about the deservingness of those who receive welfare, including racially stereotyped beliefs that welfare recipients tend to be African-American and lack commitment to the work ethic (Gilens 1999, 77-78).³ Self-identification as taxpayer, rather than beneficiary, may reduce cognitive dissonance among those who oppose welfare while simultaneously receiving government benefits in the form of tax relief (Campbell 2008; Kinsey et al., 1991, 876).

To summarize this part, research on how people form preferences about taxes and social welfare spending reveals that internally contradictory beliefs are prevalent and persistent. This reflects the combined phenomena of a complex informational environment, the prevalence of cognitive habits that lead to processing biases and errors, and a significant overlay of symbolic values that lead people to behave in a way that cannot be explained by straightforward accounts of self-interest. In the section to follow, I discuss possible techniques and challenges for a policy maker whose normative objective is to reduce public resistance to taxes and increase support for social welfare spending. I consider two possible areas of focus: institutional design to alter salience, and publicity. I then discuss grassroots activism around issues of tax and spending policy, highlighting the emergence of the Tea Party and Occupy Wall Street in recent years.

Speculations on Policy Change: Altering Salience, Publicizing Popular Spending, and Grassroots Activism.

1. Institutional Design – Altering Salience

Given the importance of tax presentation to both salience and popularity, one natural avenue for a social planner seeking to raise taxes and strengthen social welfare programs is to design policy instruments that alter salience and/or psychological aversion of both taxes and social welfare programs. An example of a major benefit program financed by a low-salience tax is Social Security.

Of course, one social planner's "reframing" is another's hiding. The worry that "fiscal illusion" has reached a state of high art in shielding tax increases from public scrutiny is not new (Hansen 1990, 22-23, 32). Scholars warn that deliberately "hiding" taxes may be undemocratic, disrespectful of citizens, and manipulated by political elites in a manner especially harmful to those who are already disadvantaged (Galle 2009; Hacker and Pierson 2005; McCaffery 1994; McCaffery and Baron 2005).

Schenk (2011) and Gamage and Shanske (2011) have defended tax salience-reduction as a tool of progressive policy reform. Schenk contends that citizens may actually *prefer* to be taxed in a way that is less salient and therefore not so aversive. Accepting both that the citizenry does not like to be taxed and that it wants

³ I review this subject in greater depth elsewhere (Lester 2011, 347-51).

public goods (and perhaps, redistribution), the use of low-salience taxes may enable government to raise needed revenues with the least pain and most acceptance. Is cutting programs because there are insufficient revenues, Schenk asks, more responsive to the public will than raising taxes? And is allowing “policy drift” to diminish the effectiveness of programs as they fail to keep pace with inflation more democratic than finding low-salience ways to achieve more progressive taxation? Schenk is careful to qualify that low-salience taxes are not *hidden*—public information about taxes is fully available to citizens, and process of legislating is transparent. Gamage and Shanske (2011) similarly contest arguments grounded in democratic failure: lacking any pre-existing normative baseline for determining the “correct” level of political salience of a tax, they argue, we simply cannot evaluate whether the salience of any real-world tax is too high or too low and therefore cannot condemn actions to reduce salience as necessarily undemocratic.

I find these defenses compelling on many grounds. At the same time, there is little reason to doubt that depending on their goals, political elites can design tax presentation as easily to mask regressivity as to accomplish progressive distributive aims.⁴ It is not clear, ultimately, that salience reduction is more likely to advantage progressive social planners than conservatives who take a different view.

On the benefits side of the equation as well, there are arguments for choosing certain delivery mechanisms over others. The Earned Income Tax Credit, for example, employs means-testing, but delivers benefits within the tax system, thus reducing the salience of transfers and reframing the status of beneficiaries, who as “working taxpayers” may seem more deserving in the public imagination than “welfare recipients.”

Another approach is to favor universal programs that have progressive features, i.e., programs that give benefits to citizens across the income spectrum but that can be designed to be downwardly distributive (Social Security is again an example). Given the persistent unpopularity of welfare and other means-tested direct spending programs, structuring benefit provision in this way might ameliorate the tendency of citizens to adopt a “we-they” attitude that emphasizes the distinction between taxpayers and benefit recipients and triggers negative stereotypes about the “welfare poor.” I have explored this argument in depth elsewhere (Lester 2011).⁵ This position, too, is not without criticism. One difficulty -- if one’s normative goal is downward distribution -- is guaranteeing that a given program will ultimately achieve net progressivity when tax and benefit schedules combine. The payroll tax, which finances the major American universal social insurance programs, is a regressive instrument, meaning that benefits structures must be quite progressive

⁴ Schenk (2011, 296) cites the Social Security payroll tax as an example of low salience (due to uncertain incidence) masking regressivity. The net distributional profile of Social Security may be more progressive, once the benefit structure is taken in to account. See Lester (2011, 355 n. 167), reviewing controversies.

⁵ See also Kornhauser 2009, 274-75; Rothstein 1998, 158-60; Skocpol 1995, 253-74.

in order to offset relative advantages to high-earning taxpayers. Existing universal programs are varied in their net distributive valence.

2. *Publicizing Popular Spending*

A classic technique for altering public opinion is advertising. To the degree tax resistance sentiment arises in part from people's inability to map the reciprocal connection between the taxes they pay and public spending, and to the extent they fear waste and abuse of the public fisc, making middle-income people aware of the extent to which they receive benefits from the state –not just finance them – may reduce their aversion to paying taxes.

This might be accomplished by converting some benefits from tax credits to cash transfers. Benefits administered through the tax system appear to be “low salience” benefits. Mettler (2010) cites as an example of a failed program the “Making Work Pay” tax credit, a centerpiece of the Obama’s Administration’s American Recovery and Reinvestment Act of 2009 (the “stimulus bill”). This tax credit of up to \$400, targeted at low- and middle-income workers, reduced the tax bill of 95 percent of American workers. However, a CBS poll conducted one year after its implementation revealed that most beneficiaries of the program were unaware of it. Had the program taken the form of “cash back for workers,” it might have had more popular recognition and appeal. Some potential obstacles are that if the program were not carefully distinguished from social assistance, it could garner public resistance. Second, if the government were to convert *existing* tax expenditures to direct transfers – e.g., the child tax credit-- those who currently experience tax subsidies as entitlements may see the elimination of the credit as an increase in taxes (Kinsey et al., 1991). Additionally, the administration of transfers through tax credits can be very efficient (Weisbach and Nussim 2004, 957-61), so there may be cost trade-offs to consider.

Another factor that obscures the benefits to citizens of social welfare spending is the extent to which private actors operate as intermediaries in administering programs (Campbell 2008; Mettler 2010). Delegation to private entities the task of disbursing or administering benefits tends to obscure the role of the government. If people receive their Medicare benefits from an HMO or their government-subsidized student loan is processed by a commercial lender, they may fail fully to apprehend the public nature of the benefit. Eliminating private-sector intermediaries may be fruitful in the case of benefits enjoyed by middle- and high-income citizens, e.g., college tuition subsidies.⁶ Again, there may be cost trade-offs to consider, but depending on the program, elimination of private-sector intermediaries could lead to immediate cost savings wholly aside from tax revenues.

⁶ Mettler offers the example of the Obama administration’s removal of the system of student loan lending from private lenders to direct lending as a key success in this direction (Mettler 2010, 813-16).

Finally, rhetorically linking taxes more clearly with popular spending programs may reduce tax resistance by enhancing trust in government and making citizens aware of less salient benefits they receive (Listokin and Schizer 2012). Earmarking is one way to do this. The payroll tax that finances Social Security and Medicare was cited earlier as a relatively low salience tax, but in addition, the fact that it is earmarked links it in the public mind to benefits that most people will receive at some point in their lives. This helps explain why, although it is the largest tax for most American taxpayers, it has also been very resistant to cuts (McCaffery and Baron 2005, 52). Another technique is for the government to launch advertising campaigns using television, internet, and print media, even making use of celebrity endorsements, to inform the public that “These education (etc.) investments were brought to you by your federal government,” akin to the roadside signs motorists encounter letting them know who paid for recent highway improvements (Listokin and Schizer 2012). This approach is not without its own challenges. It could be costly. Moreover, not all programs are universally popular. The happy feeling some taxpayers would feel in knowing that their tax dollars were well spent (on, say, education for non-English speakers) may incite anger in others at government waste or misdirection of their money (Steinbo 1993, 194). Thus there are limits on the range of programs whose appeal is sufficiently universal as to avoid risk of backlash.

3. Grassroots Activism

The discussion thus far has focused on levers for increasing information or altering the salience of taxes or government spending to create a different cognitive frame through which citizens interpret them. Another factor in understanding the evolution of public attitudes is the role of grassroots mobilizations. Both taxation and social welfare policy have sparked populist mobilizations at different times. This subject is large and my treatment here cursory. I focus on tax protest, seeking to paint a fuller picture of the forces that help shape conflicting public attitudes about taxes, social spending, and distributive justice.

The namesake of the modern Tea Party movement had its roots in the American Revolution. Between then and now, there have been other tax limitation movements. Most prominent is the nationwide tax revolt of the 1970s which, while partly a mobilization of citizens who sought to advance their self-interest as taxpayers, was also in essential ways fueled by broad expressive and symbolic values, including distrust of politicians, concerns about the scope and efficiency of government, racism, and consumerism (Lo 1990, 36; Lowery and Sigelman 1981, 972; Sears and Citrin 1985, 185-87).

The financial crisis of 2008 sparked the rise of two populist social mobilizations with very different ideological orientations: Tea Party and Occupy Wall Street. Both claimed media attention and influenced public discourse in a period of intensely partisan politics over tax policy. Tea Party emerged in 2009, largely in response to early-Obama Administration legislative activity: the bailout of large financial institutions following the economic meltdown of late 2008, the stimulus bill, and

health care reform. Occupy Wall Street was also a response to the evident power of financial elites manifested in the bailout, but also the failure of the state to meet the basic needs of the ordinary people in the face of gross disparities in wealth between the bottom (the 99%) and the top.

The Tea Party movement has embraced tax and spending limitation as central themes. In their book, *Give Us Liberty: A Tea Party Manifesto*, Dick Armey and Matt Kibbe (2010, 69) exhorted:

Today's spending is tomorrow's taxes. Whenever the Tea Party is protesting spending it is looking at the long term and protesting future taxation. Higher taxes degrade our standard of living, leaving citizens with fewer choices and fewer dreams.

Talk radio host and GOP consultant host Michael Graham, chronicling Obama's "Assault on Tea-Party, Talk-Radio America," characterized the bailout by invoking images of responsible taxpayers being cheated by irresponsible politicians who cater to Wall Street:

The reaction from Washington has been to take hundreds of billions of dollars from taxpayers who do pay their bills and give it to people who don't. While I have no problem giving a little help to responsible people who've hit a rough patch in the current recession, a lot of this money is going to people who bought houses they knew they could never afford or had no intention of paying for." (Graham 2010, 76)

We're sick and tired of watching well-connected fat cats rolling in our taxpayer dough. It would be one thing if we were all in this together. But we're not. The 'spread the wealth' philosophy is an open declaration that some people are going to be declared winners (getting bailouts) and others losers (paying bailouts). (Graham 2010, 80)

These excerpts capture some key moral claims of Tea Party: strong anti-tax, anti-spending rhetoric and images of politically disenfranchised ordinary people pitted against untrustworthy and wasteful Washington elites.

Tea Party has used town hall meetings at the local level to incite anger and outrage, and secured funding from corporate entities and private foundations to obtain professional staffing to give it organizational structure and leadership. It has channeled its resources toward selecting candidates in the partisan political arena, registering and turning out voters, and getting its candidates nominated and elected (Fischer 2011).

Still, within Tea Party ranks there are contradictions. In a New York Times / CBS News poll published April 14, 2010, people who supported the Tea Party, mostly older, white, and male, strongly supported smaller government and fewer services

but 62% also said they thought the costs of Social Security and Medicare were worth it. Skocpol and Williamson (2012) found a similar pattern in their interviews of grassroots Tea Party members in 2011.

Occupy Wall Street, for its part, advanced a potent moral claim that had a striking impact on public discussion. “We are the 99!” punched home a deeply resonant message about wealth disparity, and the insistent invocation of Wall Street conveyed outrage over the overweening influence of fiscal elites on democratic institutions. And yet, there have been other moral claims as well. Chief among criticisms of Occupy is that it lacks a coherent manifesto or programmatic set of proposals for policy change. As such, it has been more expressive than transformative (Wright 2012).

The “99% Declaration,” issued on October 15, 2011, by a working group of the New York City Occupy Wall Street General Assembly, provided for a National General Assembly to be held in July 2012 to ratify a “Petition for a Redress of Grievances.”⁷ The fifth of the 21 listed grievances was “A Fair Tax Code,” which stated, in part:

A complete reformation and simplification of the United States Tax Code to require ALL individuals and corporations to pay a fair share of a progressive, graduated income tax by eliminating loopholes, unfair tax breaks, exemptions and unfair deductions, subsidies and ending all other methods of evading income taxes. The current system of taxation unjustly favors the wealthiest Americans and corporations, many of who [sic] pay fewer taxes to the United States Treasury than citizens who earn much less and pay a much higher percentage of their incomes in taxes.

Other enumerated grievances addressed democratic concerns (e.g., demands for elimination of the corporate state, overturning the *Citizens’ United* case, ending political term limits), and economic security (public health care, debt reduction, a moratorium on foreclosures). But still others addressed more diffuse concerns, such as environmental protection, ending the war in Afghanistan, and curbing private prisons.

George Lakoff (2011), who has written extensively on the importance in politics of framing one’s claim clearly, urged Occupy to stress a clear, positive and moral message that recognizes that “the role of government is to protect and empower all citizens equally via The Public: public infrastructure, laws and enforcement, health, education, ... safety nets, and on and on.” Ultimately, in the July 2012 General Assembly, the Declaration was rejected rather than refined, and at the time of this writing, Occupy’s website maintained the official position that Occupy has no list of demands.

⁷ Accessed December 9, 2012.

<https://sites.google.com/site/the99percentdeclaration/>

Occupy's potential to channel its remarkable success in raising awareness of income inequality toward a more focused, limited, moral claim that links taxes with popular benefits is made less plausible its disestablishmentarianism. Occupy's focal critique of corporate privilege and the failure of capitalism as a framework for democracy is antagonistic and diffuse, "anti-everything and confused" (Fischer 2011). It may be that for Occupy, the moment of heightened political opportunity that facilitated its mobilization – the financial crisis -- is the self-same force that has inhibited it from forming alliances with Washington elites. After all, it was the failure of government regulators in the first place that bred distrust for government and crystallized some of Occupy's key moral commitments.

Wholly apart from the challenge this poses for having influence with political actors, it has created uneasy relations with unions, whose well-developed organizational infrastructure could have been a significant asset. Unions took notice of Occupy and sought partnership: a union organizer in Chicago with SEIU described the Occupy movement as a "game changer." He said his union "recognized that it can no longer focus just on what happens in the workplace. Our members who work in a hospital go home to a community that is being devastated by foreclosures and school closures" (Gupta 2012). Richard Trumka, president of AFL-CIO announced the union's support of the protests, unions supplied money, food, and facilities to Occupy encampments, and some unions treated Occupy encampments the same as they would a picket line. Nevertheless, some Occupy protesters expressed fear that even a union alliance risks co-optation by the "very political powers they are fighting," (Whalen 2011) and there were clashes when Occupy protestors shut down the ports in a number of west coast cities, where many workers are unionized (Redden 2011).

Thus even assuming the plausibility of a grassroots movement to promote a taxes-pay-for-benefits message in public opinion and partisan politics, it is far from clear that Occupy is that movement. There are some signs that the consortium of groups, organizations, and informal networks that formed the Occupy Wall Street movement is beginning to break into offshoots with more focused objectives. An example is Strike Debt, a "coalition of Occupy groups" that raises money to buy consumer debt and forgive it (Strike Debt 2012).

I have been focusing on the need for grassroots organizations to seek alliances with elites, but the opposite can also be true. Franklin D. Roosevelt marshaled social unrest very effectively in the service of pushing through New Deal legislation, and the Obama Administration has made similar efforts (Drier 2010, 30). During public debates leading up to health care reform, for example, the Obama administration worked closely with a broad coalition of grassroots organizations-- labor, consumer, health, civil-rights, anti-poverty, community, religious groups—to generate public support for health care reform. There are signs of similar efforts around taxes, riding on the grassroots momentum from the 2012 election (Shear 2012). Campaign aides have launched a post-election Internet and social media campaign asking supporters to record YouTube videos of themselves talking about the importance of

raising taxes on the rich. Progressive groups connected with the grassroots campaign have created a website with downloadable signs carrying slogans such as “Middle Class over Millionaires,” and “End the Bush Tax Cuts for the Wealthy.” While its success remains to be seen, the simple, punchy message linking taxes with inequality seems very much in the spirit of Tea Party’s effort to harness the strong emotions invoked by taxes – but turning tax limitation on its head.

Seeking to raise popular support for social spending in the face of an ambivalent public is not a new problem, but social science research across disciplines offer lessons for policy makers. Tax instruments and welfare institutions both can be designed to alter psychological salience. Although both interventions can be defended normatively, popular discomfort with the idea of “hidden taxes” is such that as a pragmatic matter, emphasizing a strategy of advertising the *value* people receive for their taxes, and increasing public awareness of the government’s support of popular programs runs less risk of undermining trust in government and triggering backlash against taxes. Understanding the symbolic dimensions of public attitudes towards taxes and social spending is also essential. Strongly-held emotional feelings triggered by taxes—and sharp income inequality—can spawn grassroots mobilizations that influence public policy. Symbolic moral claims at the heart of such mobilizations can amplify rather than clarify or reduce popular ambivalence about taxes and social spending, but can also be harnessed with the right combination of clear goals, strong organizational base, and alliances with elite political actors.

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