

# Summary of Phoenix, Arizona, Meeting about a Long-Term Proactive Initiative on Tax and Budget Issues

## I. About the Meeting

The meeting was held on March 24, 2004, from 9 a.m. to 2:15 p.m. and was hosted by Bruce Astrein of the Arizona Community Foundation, and OMB Watch. Eighteen people attended the meeting, which included groups from the Phoenix area. Gary Bass, John Irons, and Ellen Taylor attended from OMB Watch.

The purpose of the meeting was to discuss how to launch a longer-term proactive initiative around federal tax and budget issues. The meeting was structured to lead to the development of specific recommendations for the desired outcomes of such a campaign and the strategies and next steps necessary to implement it.

## II. Where are we now?

FEDERAL PICTURE: OMB Watch staff did a presentation about the short- and long-term federal tax and budget picture. Federal deficit as a percentage of the economy is at the second highest level ever since World War II and federal revenue is at the lowest level since 1950. The reason often cited for exploding deficits – federal spending that has grown out of control – is simply not true. When spending is adjusted for inflation and population growth, domestic non-homeland security spending is on a downward spiral. The longer-term budget picture is even more catastrophic. If 2005 tax and budget policies continue, budget deficits will explode at the same time that massive baby-boomer retirement is straining the resources of Social Security and the health care system. The sobering fact is that the federal tax cuts of 2001 and 2003 have created a systemic problem, and even with a more fair and equitable tax system that increases revenue, hard choices about spending priorities will remain.

STATE PICTURE: Elizabeth Hudgins of the Children's Action Alliance gave a presentation about the Arizona state budget picture. In the late 1990's, the state adopted a series of tax cuts that resulted in revenue losses of \$775 million each year, as well as took on new obligations without new revenue, resulting in back-to-back budget shortfalls of \$1 billion. A variety of new tax cuts are currently being proposed, representing piecemeal changes. Arizona has a very low tax comparative tax burden and, on a per capita basis in FY 2002, the state spent 34% less than the national average on social services. Using a PowerPoint slide presentation, Elizabeth made a variety of points about proposed budget cuts resulting from the state budget deficit, and the harmful effect on state services, as well as refuting the argument that the tax cuts will stimulate the economy.

## III. Where do we want to be?

At the beginning of this discussion, Bruce Astrein asked for everyone who agreed that now is the time for a long-term proactive tax and budget campaign to raise their hands. All but one person did so, indicating strong support for an initiative.

The discussion began with the reflection that, in spite of challenges like the lack of organizational capacity or board reluctance to take on issues of social change, we must

think about what is possible, and quickly move from ideas to something more concrete that nonprofit organizations can get behind. A wide range of themes was developed including: building a wider and more diverse base; the importance of developing a vision and building language, messages and framing from that vision; increasing civic participation and realigning power to achieve a democratic society; and the role of government. One participant pointed out that nonprofits could be, and should become, a powerful force. We represent and serve thousands of people and have the potential to become a force with which to be reckoned. The need for a long-term vision was emphasized – 10 years may not be long enough, and participants suggested we should think 50 years down the line or in the sense of the Native American concept of “seventh generation” and how what we do and plan now will affect those distant generations.

Based on this discussion, the group identified key objectives for a long-term campaign. They fell into five broad categories:

- **Build a Broader Base.** There was agreement that we need to educate and bring more people to the table to build community around tax and budget issues and increasing civic participation. This includes national, state and local nonprofits, service providers, community groups, issue-based constituencies like parents of children with disabilities, small business people, executive directors and senior staff of nonprofits, boards of foundations and nonprofits.

There was a practical recognition that incompatible worldviews exist, and we should not waste our energy on those who are clearly against us. However, as one person pointed out, we can focus our efforts on the 25% to 30% who are with us and the 30% to 40% in the “malleable” middle. Often we will necessarily be against “business,” but there are times when our visions will coincide around thriving communities, education, workforce development, and a healthy economy, so there may be some common ground at some times. There was also the awareness that organized business does not reflect ordinary business people. Additionally, if we change our language from “serving justice” to “getting returns on investments,” business could be a useful ally. Some people, however, felt that business would always be “them,” and pointed out that the business world already has considerable control over nonprofits through their boards.

Leaving aside the question of whether or not to bring business interests to the table, there was broad agreement that it is vital to expand the base to build a successful initiative.

- **Develop a Vision and the Principles and Messages That Support It.** There was a strong sense that we need to start from a vision of what we want and then construct tax and budget principles and message framing from that vision. One idea was defining a “healthy community” to make it personal and real to ordinary people. We need a more comprehensive approach around what a healthy community is and how it is supported by a fair tax policy and a strong government. Another idea was to define a “healthy democracy” around the values that are embedded in democracy like “the general welfare.”

Some participants talked about a 5 or 10 year vision; others insisted that we should talk about 25 years or even 50 years – what do we want our community, country,

world, to look like then? Or, alternatively, looking backward - what will our world look like in 50 years if we don't act now?

This vision must cut across issue areas and unite us, and participants felt that this was possible - that there is a tremendous amount of agreement about values and vision. The vision should incorporate the process side, i.e. democracy and having a voice.

There were many questions about developing a vision, like: "Which comes first, the vision or the action?" "Who develops the vision?" "Is it bottom up or top down?" "Does the vision need to be state-specific?" "What exactly do we do after we've got a vision?" There was some consensus that the vision may be national, but the language and messages may need to change to target different segments of the state or community and be culturally appropriate, or to bridge the gap between "right" and "left." There was also a sense that building the vision should be a bottom-up process, and even the process of building the vision is a form of action that could educate and motivate people. We all need to become more effective social marketers of the vision and the underlying principles and messages. The vision must be how we think about the world and government and how to get those values to penetrate in the longer term.

- **Reclaim Values Language and Re-Frame the Debate.** As is obvious from the previous discussion, this theme was echoed throughout the discussion, whether talking about building the base, strengthening democracy, developing a vision, or addressing the role of government. In many instances, concrete suggestions were offered. One suggestion was looking at Francis Moore Lappe's book, The Quickening of America: Rebuilding Our Nation, Remaking Our Lives, for the ten key words she identifies as at the core of our values. One participant summed up the primary values as four words: fairness, democracy, opportunity, and investment. There was a sense that the left has ceded the discussion of values to the right, and must reclaim value-talk. While "family values" has been giving a certain meaning by the right, families are a liberal value, though we may define them differently.

Values may need to go beyond "social justice," to engage a larger group. For instance, one value might be "investing" in people because of the positive return that society or the economy receives. There was a sense that we do share common values (although, as noted above, the messages or framing that derive from those values might need to be tailored) and that it is through values that we can connect with people and build this initiative. As one participant put it, we need to address the vision first and then use it to reclaim the language. The vision and the language used to express it must be positive and contain lasting images. We need to incorporate both the "tiger" kind of energy and the value of compassion. Attention to framing is essential, since no matter what the "facts" are, people tend to fit the facts into their preexisting frame.

- **Strengthen Democracy and Realign Power.** This discussion included basics like getting people registered to vote, educating people to vote in their interest, and more clearly correlating voting as important to the outcomes of the work that community workers do everyday. It also included working on public funding for state elections to make legislators more accountable to people and not corporate interests, supporting elected officials who are behind our objectives, and getting candidates to run who do

support our vision. Corporate welfare, and specifically tax cuts to corporations at the same time public services are necessary to meet workers' needs, was raised. Some participants thought that strengthening "democracy" resonates better than strengthening government, and that issues should be framed in terms of our democratic rights and obligations. A need was seen to connect the work of nonprofits to basic democratic values, and to make nonprofits, acting together, a more powerful force in society.

- **Address the Role of Government.** There was agreement that discussing tax and budget issues shuts down conversation. We need to shift the debate towards the value of government and what we get from government. This will require educating (or re-educating) the public about the value of government. We need to offer an alternative positive message about taxes as a form of patriotism, the collective good of taxes that cannot be individually achieved, the value of community, and the tradeoffs required by tax cuts.

One suggestion was using updating James Carville's list of the valuable things that government has done. We need a way to talk about government so that it connects with people. The role of government in creating a vigorous democracy, fostering community investment, and promoting civil rights were some examples of highlighting the importance of government. Another is to find better language to counter the assault by the right against government. It will also require educating the public about where their tax dollars go, and to frame tax dollars in terms of benefits. One suggestion was a "your government at work" campaign to educate people about the role of government in their everyday lives. There was also a suggestion that we need to expand the notion of government to include the nonprofits that provide childcare or other services.

There was very little discussion, compared to other groups, about the need to address actual government inefficiency and waste and make it more accountable. This did arise in terms of justifying tax raises against the claim of wasteful government spending.

#### **IV. What are the strategies to move towards where we want to be?**

As is obvious, the discussion of strategies ranged throughout the previous discussion, and strong strategic thinking was very much evident as a primary concern of the group. While it was difficult to isolate the strategies from the outcomes and objectives, five key strategies seemed to arise:

- **Build the Capacity of Nonprofits and Educate Foundations:** Addressing the organizational capacity of nonprofits is vital. Nonprofits are starving and stretched very thin. There are few support and capacity building resources. Our capacity as a community and a sector needs to be examined.

There was a strong sense that for nonprofits to make social change and engage in strengthening democracy, attention must be paid to educating foundations, nonprofit boards, and even executive directors and senior staff of nonprofits about broad tax and budget policy – not just a particular funding stream - and the importance of taking on these issues. We must think about who our boards are and how we can get them to engage in public policy. There are opposing interests. Many board

members sit on boards because of an interest in a particular issue, i.e., “helping kids,” and are unwilling to take on social change.

Additionally, nonprofit staff needs lobbying skills. The issue of “lobbying intimidation” needs to be addressed – many nonprofits don’t want to use up their political capital on lobbying around tax and budget issues instead of their issue.

Concrete suggestions included: Training executive directors in advocacy skills and tax and budget issues so they can be more comfortable in educating their boards. Bringing nonprofit boards within the community together to talk about a broader agenda. Getting board members to meetings on tax and budget policy.

- **Identify and map resources and build a network:** Broadly, we need to identify what is out there so that we can link groups together and put a common frame on tax and budget issues. This also needs to be done in terms of building organizational capacity, and identifying the policy, advocacy, and support networks that exist so they can be better used. One suggestion was developing a model like “moveon.org,” only for nonprofits instead of individuals. National groups need to be in contact with state and local groups. There also needs to be an effort to locate leadership and internal or informal networks within different racial or ethnic communities.
- **Clarify the Vision and Develop Values-Based Language, Messages and Framing:** We need to clarify the vision, objectives and outcomes and use the vision to reclaim the language. Everyone needs to understand how her/his values fit into the vision. One participant said that we need a vision of where we want to be and a way of marching to it – a message and good language and framing that can be translated into terms for mobilizing people. The framing needs to be in a language of action. There needs to be a strategic discussion of values and the development of concrete, clear messages that will resonate with people’s concerns. Developing a set of tax and budget principles based on the vision would be useful. This is ultimately about a positive vision and a call to action that is based on that vision. As one participant noted, “a message is just a message, but we also have to motivate people to act.”

While there was agreement that we could develop a common national vision, there was also the sense that we may need to develop locally based “marketing strategies.” People may want the same thing, but the words need to be different. They need to be culturally appropriate. Progressives in the community are the ones who need to come up with the language and messages that will resonate in their particular community. Also, it was suggested that “values: may need to include more than “social justice,” but also the returns on investment. Thus the message may need to be slightly different depending on the audience – “preserving families” or “serving justice,” “Child care as bringing a return on investment” or “child care as the right thing to do to give people opportunity.”

There was specific discussion about framing tax dollars in terms of benefits and framing service cuts in simple ways, like “two thirds of domestic violence requests are turned away because of budget cuts.” There was the recognition that the assault by the right on government requires a counterbalance to messages like “get government off our backs and “starve the beast.” We also need simple sound bites from our point of view.

Specifically we should look at the work on language, message and framing that has been and is being done; then we will need more research and message testing.

- **Develop a Strategy for Obtaining Resources:** There was a clear recognition that to develop a vision, messages, language and framing, and use it to mobilize groups across the country will require deep pockets as well as deep thinkers. Part of this strategy is to educate foundations and boards as noted above.
- **Develop a Strategy for Moving Forward:** State and local budget and tax policy is not separate from national. We need to make the connection between federal policy and state objectives more real. A variety of strategies will be needed to achieve a fair budget with adequate revenue that will support the non-profit and public sectors. Participants felt that we need short-term achievable goals that can give groups a sense of accomplishment as we move towards the longer-term vision. This must encompass a dual sort of work – to build campaigns in the short term while continuing a long-term proactive focus. We need to balance concepts and “big-think” with practical, real-time needs. We need to engage people on many different levels, using a variety of strategies, in a bottom-up process, allowing people to learn by doing. The strategies need to be simple and focused. The importance of getting the media engaged was raised, recognizing the difficulty of making tax and budget issues exciting and newsworthy. One suggestion was using the Internet as an alternative media source of our own – 30-second Internet infomercials or I-films.

## V. What are the opportunities and challenges?

A variety of challenges were raised throughout the discussion, including:

- The debate about bringing business to the table. On the one hand, the business community shares many of the “healthy community” objectives identified by participants and could be a powerful ally. On the other hand, business will always be “them,” and our job is to build power against business.
- There was a fear that focusing on the deficit is feeding into the energy that the right wants to create, “see, we must cut these programs.”
- While we know that we’re not doing the big-think to get to where we want to be, it is difficult to balance the short-term with the long-term. Issues make us distractible. There will always be a tension between getting our particular work done and still concentrating on the long-term.
- It is difficult to meld state tax and budget policy and federal tax and budget policy, and even more challenging when issues of globalization are included. National groups ask state and local groups to call and email about issues, but if legislators at the federal level don’t listen, it is hard to sustain enthusiasm. (For instance, Kyl doesn’t even have a public email address.) How can we incorporate benchmarks to see that we are accomplishing something?

- New technology and the rapid expansion of Internet use is a good thing for civic engagement, but there are challenges in using it effectively, avoiding information overload, and recognizing its limitations.
- If it is true that we can find a common national vision, but will need different language, messages, frames and strategies to be culturally or geographically appropriate and/or that broadens the base, our work will be even more complicated and hard to coordinate.
- Conflicts within the progressive community may dilute the vision. It will be a challenge to figure out a way to have our conflicts in private and present a unified front. On the other hand, if we had a fair tax that provided adequate resources, then we could have a debate about priorities. In the meantime we must work at enlarging the pie and getting groups to expand their focus to broader tax and budget policy than applies to their particular piece of the pie.

V. **Next Steps:** It is important that the process itself is designed to be democratic and gives everyone a voice. The primary next steps seemed to be:

- Investigate current work on values-based language and framing efforts to see what can be learned.
- Begin the mapping process.
- Look into projects that are already coming up with “healthy community” visions, like the Kansas Health Foundation, to see what can be learned in terms of framing a vision.
- Look at work that has already been done on the value of government.