

CONSUMER TAX ALLIANCE ADVERTISING PROJECT

Whenever there's talk of reducing the deficit ... or raising revenue ... raising consumer excise taxes becomes an option. These taxes, on products like gasoline, cigarettes, beer and alcohol, are frequently perceived by politicians as easy taxes to raise.

Public opinion polls frequently point to excise taxes as a popular revenue raiser.

However, the Consumer Tax Alliance (CTA), a coalition of about a dozen labor and public interest groups, with support from businesses and business groups in industries affected by excise taxes, believes that the public, when educated about consumer excise taxes, would choose to oppose them and opt instead to support fairer, less regressive revenue raising options.

The CTA's members include the International Association of Machinists; the Sheet Metal Workers International Association; the Bakery, Confectionery and Tobacco Workers Union; the American Agriculture Movement; the Illinois Rainbow Coalition and the Coalition of Labor Union Women.

David Wilhelm, former executive director of Citizens for Tax Justice, is Executive Director. David Senter of the American Agriculture Movement is Executive Secretary and William Holayter, political director of the Machinists, is Treasurer.

CTA produced and tested a series of five television commercials, in six markets across the country, to determine if advertising can be an effective means of educating the public about the impact of consumer excise taxes, as well as to measure public reaction to the ads.

The series of ads ran in Springfield, Mass.; Scranton/Wilkes-Barre, Pa.; Little Rock, Ark.; Flint, Mich.; Albuquerque, N.M.; and Lincoln, Neb.

The markets were chosen because of their geographic and demographic diversity, and to ensure that results would accurately reflect a national sample.

Since the campaign was intended as a test -- and a marketing project -- care was taken to ensure that Members of Congress were informed of CTA's plans.

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CTA believed that the public lacked a clear understanding of the nature of consumer excise taxes and who actually pays them. It hoped to demonstrate that the apparent public support for excise tax increases suggested by polls -- and relied on by politicians who favor excise tax increases -- results from a lack of understanding of the true nature of these taxes.

Preliminary research indicated that once audiences understood what consumer excise taxes were -- and who pays them -- opposition to these taxes would increase rapidly.

This reaction seemed particularly pronounced when participants learned that average families pay up to four times more of their income on excise taxes than wealthy families.

Even before the ads ran, a majority of respondents in every market opposed consumer excise taxes as a means of reducing the deficit. This is a clear indication that polls suggesting to the contrary have been biased.

Following the airing of the ads, CTA commissioned a second poll to measure the impact of the anti-excise tax message on voters in the test markets. The poll conclusively demonstrated that the media campaign succeeded in bringing about an exceptional movement in public opinion.

The margin of opposition more than doubled from 55% oppose - 36% favor in the pre-test, to 66% oppose - 26% favor.

This increase in opposition is seen in all media markets and across all demographic categories.

The campaign's effectiveness rested on its ability to draw a direct link -- in the public's mind -- between excise taxes and the cost of products consumers buy every day.

In two post-test attitudinal questions, 66% and 75% of respondents who opposed excise tax increases agreed that consumer excise taxes have a direct impact on the price of their everyday purchases.

There is thus small comfort for those elected officials who continue to believe that excise taxes are an easy target.

Opposition to increases in consumer excise taxes following the airing of the ads approached the level of opposition to increasing the personal income tax.

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There was a significant increase among those who perceive consumer excise taxes to be unfair to poor and middle income families. In fact, when people were asked to explain the reasons for their opposition to consumer excise taxes, there was a shift from opposing new taxes of any kind to favoring more progressive means of raising revenues. There also was an increased awareness of the unfair nature of consumer excise taxes.

The lesson of this excise tax ad campaign is clear: the oft-cited apparent public receptivity to increased consumer excise taxes is very fragile and, in fact, evaporates once the public learns of the true impact of these taxes on average families.

The research performed in connection with the media campaign clearly demonstrates that the advertising conveyed a memorable message that influenced public opinion in a lasting manner. We are convinced that these results can be readily duplicated on a nationwide basis.

And the strength of the opinion shift suggests that only a powerful and sophisticated counterattack could effectively overcome a campaign such as this in any market in the country.

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