MESSAGING GUIDANCE

TO TALK ABOUT THE ECONOMY, AND OUR RECOVERY

Everyone seems to agree on one thing: we're facing an economic catastrophe at an unprecedented scale in this century. More than a million people across the state have filed for unemployment. Across the nation, millions of Americans are out of work, and economists agree we're headed towards - if we haven't already reached - a Great Depression sized crisis. We need to address this crisis urgently, before the economic pain increases at an unmitigated pace and we become trapped in a negative feedback loop of collapsing consumer demand and waves of business closures that last years.

Everywhere we look, we're seeing pro-austerity forces make their case for responding to the crisis with budget cuts, no new spending, and lowered taxes. It's always a knee jerk reaction. But we know - and history tells us - that an all-cuts approach is economically backwards thinking and will only perpetuate this crisis. Not only will it damage critical services that already-struggling people and families depend on, but it will only exacerbate the economic crisis by shrinking government investments that lead to economic growth and excluding even more consumers from participating in the economy.

It's important that we share a cohesive message and framing on this crisis and how we envision a better future. Our economy depends on consumers spending, and lawmakers can play a proactive role in kickstarting the economy by increasing investments in services and infrastructure to support both working families and small businesses, so when life does begin to return to normal, more people can re-enter the economy able to participate.

DO ✔

Talk about how trickle-down economics—by which we mean tax cuts for the rich, deregulation of powerful corporations, and wage suppression for everyone else—has made our economy fragile. A pandemic would inevitably impact any economy, but in America we have created a uniquely fragile economy that has left 40 percent of households unable to handle even a $400 emergency expense at a time when most households are facing emergencies. This instability was further perpetuated by federal government cuts to agencies whose purpose was to prepare for pandemic and crisis response. For Americans already in a precarious financial situation, the debt accumulation for months—and likely more—of unemployment and under-employment will mean that even when the economy reopens, it will be virtually impossible for them to catch up on months of bills.

Talk about why the economy is crashing and what it will take to turn it around. It's because of collapsing consumer demand as people lost their jobs and income to spend in the economy. People, not CEOs and shareholders, are the drivers of our economy. When consumers have more money, businesses have more customers and hire more workers. We have to rebuild our economy from the bottom-up, not the top-down.

Talk about the scale of the problem. Washington voters are worried about the impacts of COVID on our economy, but many are struggling to come to grips with the size and scope of the economic crisis. But not facing and socializing the true scale will be paralyzing when it's time to fight for solutions, and likely mean that we end up with solutions that are woefully inadequate. We've already seen record new unemployment claims as millions of workers across America have lost their jobs and small businesses have had to close their doors at a rate unprecedented since the Great Depression. We must realize we're headed for a long and painful recovery.

Draw attention to what budget cuts will mean. It's easier for people to support slogans like "we need to tighten our belts" when they don't have context for what critical services will get cut. It's important that we frame the choice—we can balance Washington's upside-down tax code and kickstart the economy by asking a handful of the wealthiest people and corporations to contribute more, or we can balance our budget by making deep cuts to health care, schools, and services that communities and families depend on. Additionally, history has proven that an all-budget cuts approach only prolongs recessions, siphoning even more money from the economy and stagnating recovery.

DO (continued)

Center groups and communities who have been historically left in the margins by trickle-down economics in your messaging about policy solutions. Workers and families of color, gig and contract workers, workers with disabilities, immigrant and refugee communities, undocumented workers and families, and others who disproportionately have been left behind in wage growth, sick leave protections, and other critical labor policies, are experiencing an even greater toll from this economic crisis. That's why any and all economic solutions must be deliberately *inclusive*—not only is leaving people out of the economy wrong, but it's also bad economics. The more people who participate in our economy, the stronger it is. We must not only talk about them in global terms and data, but share their stories.

Highlight how the impacts of the economic crash are unevenly felt. Many people that you may interact with have the luxury of working from home during this pandemic, but for the vast majority of workers, especially hourly wage earners, this crisis is profoundly financially devastating. Entire sectors of our economy have closed or dramatically shrunk, and many of the only jobs remaining are gig jobs that effectively pay sub-minimum wage and provide no benefits like health care or sick days. In order to mitigate this crisis, we need to ensure recovery policies are inclusive to support every worker, so they can in turn participate in our economy and help reignite economic growth.

DO NOT

Do not argue that the scale of this crisis is too large for us to address at a state and local level, or argue that we wait for further action at the federal level. The federal stimulus bill had some good components, but will not be enough to stave off a depression or support unemployed Americans in the long-term. Many workers and families will need longer-term financial assistance and many small businesses might not make it long enough to see zero-interest loans. Additionally, the initial federal stimulus will not save Washington's economy. The money our state received is not enough to adequately respond to this two-pronged crisis, and is primarily tied to the public health response, not economic recovery. Congressional leaders and the White House have demonstrated an unwillingness to consider future aid to state and local governments, so to save our economy we need action at both the state and local level.

Do not create space for talk of austerity. In the coming days and months trickle-down voices will inevitably call for austerity policies at federal, state, and local levels of government. Don't allow kitchen table language like "tightening our belts" or "trimming the fat" to be a part of the dialogue. Austerity measures will hurt many Washingtonians and delay economic recovery. We can't afford to take that path. Past recessions have shown us that austerity measures like throttling state investments in services and infrastructure simply perpetuate a negative feedback loop in our economy: with fewer people earning money to spend, businesses have fewer customers and lay off more workers, which in turn leads to a greater need for social services. Recessions call for bold government investments that put more money in the pockets of workers and small businesses and stimulate economic growth.

DO NOT (continued)

Do not blame the economic crisis on the public health crisis of COVID-19 alone. The pandemic triggered this crash, but as discussed above, years of trickle-down economics, an unmitigated wealth gap, systemic racism and massive economic inequity primed America for this crisis. The federal minimum wage is not enough for a family to rent an affordable two-bedroom apartment anywhere in the country, 40 percent of households are unable to absorb a $400 emergency, and 1-in-4 Americans entered this crisis without *any* paid sick leave.

Do not reinforce rosy pictures of recovery from economic elites. Some trickle-down economists and financial institutions, like J.P. Morgan and others, are predicting a V-shaped recovery. This kind of recovery, while appealing, would be akin to magic—but don't fall for it, or reinforce this sleight of hand. At this point, economists agree that even a W-shaped recovery is unlikely. This rosy picture is at best ignorant of consumer behavior, the impacts of this economic crisis on ordinary Americans, and how long it will be before the vast majority of people in this country regain financial stability.

Do not reinforce the belief that the stock market is the economy. Most Americans are not stockholders. The market will bounce up and down, like it did when stocks rallied the same day the Department of Labor reported the most new unemployment insurance claims in our nation's history. It will not be a predictor or determinate of economic health for the majority of Americans. Remember, the stock market was strong before COVID-19, but average Americans were living closer to the edge than ever.

CASE STUDY

Austerity vs. Investments in the Great Recession

The economy isn't a household budget, where the balance sheet has to equal out by the end of the month. In tough economic times governments need to make up for losses in the private sector by spending more. The different responses state took during the Great Recession led to clearly different results:

- In the 20 states that cut spending, the unemployment rate jumped by an average of 4.9 points, compared with 3.8 points in the higher-spending states.
- By 2011, the economies of the austerity states were still in decline, with growth 2.7 points **less than pre-recession**. But the higher spending state economies were averaging 2.6 points faster economic growth **than *before* the recession**.

Additionally, it's inevitable that voices pushing for bad ideas like austerity and prolonged budget cuts will frame investment-driven economic recovery in a way that triggers anti-government, anti-tax sentiments. It's important that we reshape the narrative in a way that inspires collective action for our communities.

THEY SAY...	WE SAY...
Increase taxes	**Balance our upside-down tax code.**
More "government spending"	**Increasing investments to create economic growth.**
We need to cut spending	**Budget cuts will only further hurt those already impacted by this crisis and delay economic recovery** by preventing more people from being able to participate.
Government is "them," not "us."	Government is all of us, and **we all benefit from investments in priorities that will provide relief for Washingtonians and lead to thriving communities.**
Fiscal responsibility	Investments like health care and education are the foundations of thriving, healthy communities, and **the only way to grow out of this recession.**
Taxes are burdensome and hurt businesses and workers	**Revenue supports thriving communities.** We can balance our tax code by asking a handful of the wealthiest people and corporations to contribute more and make critical investments to provide relief for Washingtonians and save our economy.

SAMPLE TALKING POINTS

We are facing two distinct threats—a public health crisis, and an economic catastrophe at an unprecedented scale and speed.

- The pandemic ignited this economic crisis, but it's not the sole cause. Decades of inequity and instability caused by trickle-down economics that left too many people in the margins made our economy fragile.
- The existing inequity in our region has made the impacts of this crisis unevenly felt. It's critical to realize that for the top 20 percent this is an inconvenience, but for the bottom 80 percent this is devastating.

Local leaders have shown swift resolve in addressing the public health crisis. We need the same urgency to alleviate suffering and save our economy.

- More than 1 million Washington workers have filed state unemployment insurance claims since the start of the pandemic, breaking record numbers every week. Washington's economy lost 527,000 jobs in April alone. For context, initial estimates suggested we'd lose 450,000 jobs by summer.
- We're in danger of being caught in a cycle of evaporating wages, cratering demand, and failing businesses that lasts for months—even years.

When everyone finally emerges from their homes, we will see a profoundly changed region—and the economic damage is likely to be deep and ongoing.

- Arguments that the situation we're facing is too large to address at a local level are just excuses to avoid common-sense action. The Federal government isn't going to save Washington. Calls for austerity demonstrate a fundamental misunderstanding of how the economy works.
- Simply, we need to get money and relief to workers, families, and small businesses to promote economic growth and ensure everyone can participate in the economy.

Our plans must be:

- **Immediate**—We need to take urgent action to address the economic impacts that businesses, workers, and families are already facing.
- **Impactful**—Solutions must be scaled to the size of the problem.
- **Inclusive**—Trickle-down economic policies have left thousands of workers and communities in the margins. We need solutions that include everyone.

We need to get through this together. Now is the time for us to unite across our differences and make policy choices that help everyone. The choices we make now to address this crisis can also set a better course for our future.

We can come together, weather this crisis, and build a local economy that's stronger than it was before. No solutions should be off the table. Washington's future is at stake.

For questions or messaging assistance,
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