



Voters' Voice: Financial Transaction Tax

March 2021

Our Approach

OBJECTIVES

- Establish an unbiased and objective measure of voters' support or opposition to a proposed financial transaction tax (FTT)
- Gauge the impact voters believe an FTT will have on the economy and individual investors
- Evaluate potential arguments against the creation of an FTT

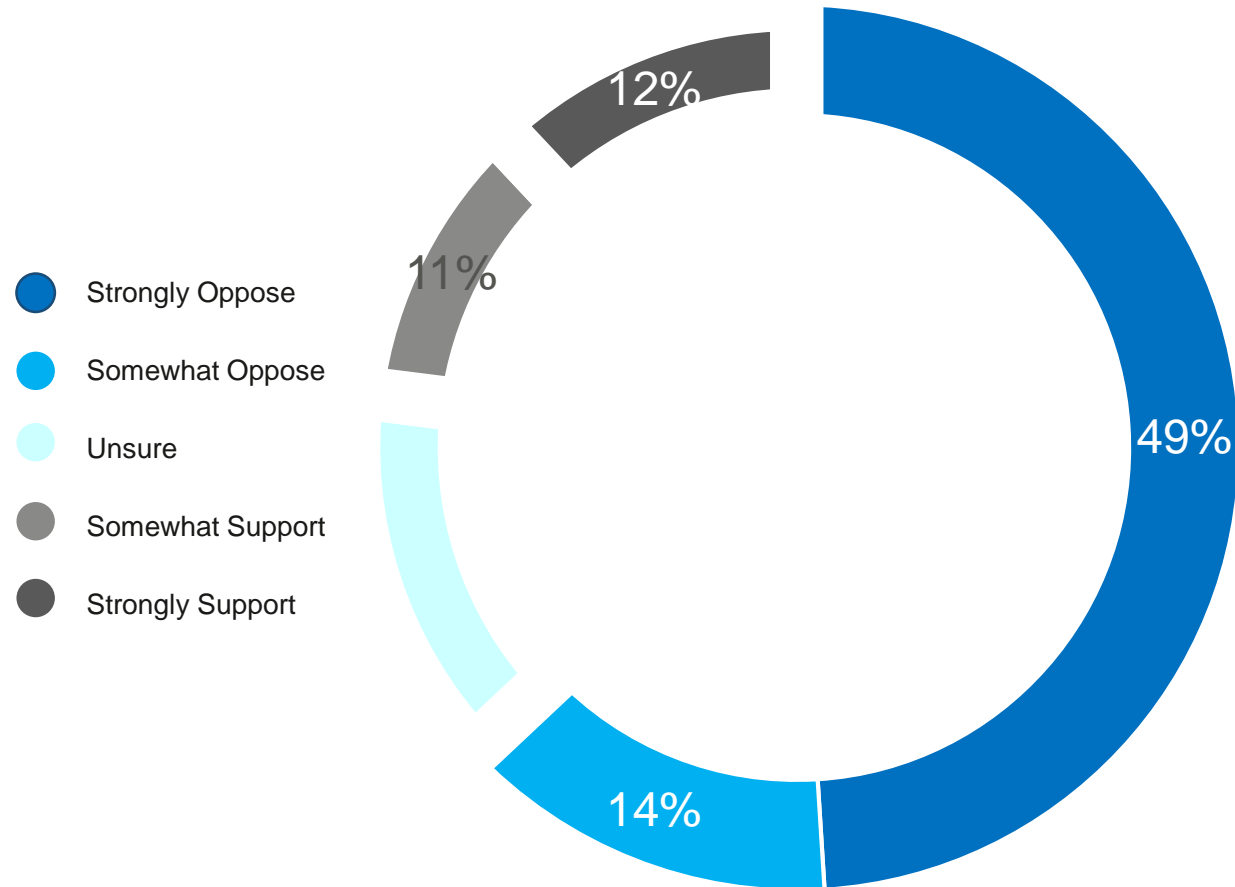
METHODOLOGY

- Online survey conducted February 23 – 25, 2021
- 2,000 likely voters
 - US adults, 18+ years of age
 - Currently registered to vote
 - Voted in 3 of past 4 elections
 - Intending to vote in 2022 Congressional election
- Sample is proportional to voters based on
 - Regional quota
 - Gender quota
 - Age quota
- The survey has a credibility interval of $\pm 2.5\%$ at the 95% confidence interval



Executive Summary

Opposition to an FTT is strong and bipartisan

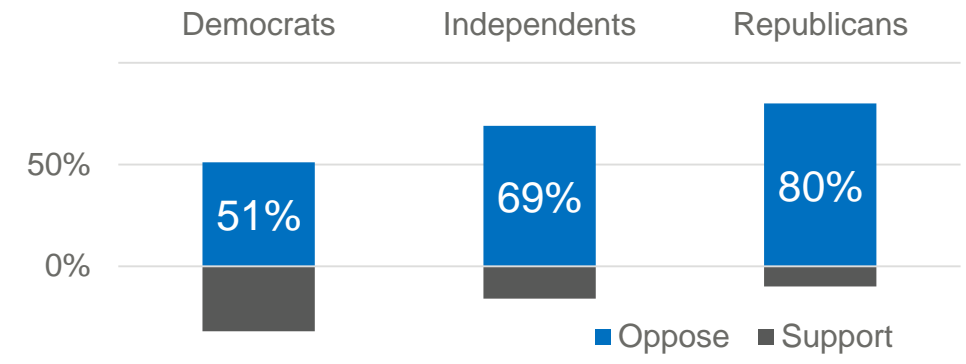


By a three-to-one margin, voters oppose a potential FTT

63% of voters oppose an FTT vs just 23% who support it

Strong opposition alone is more than double total support

Opposition is solidly bipartisan

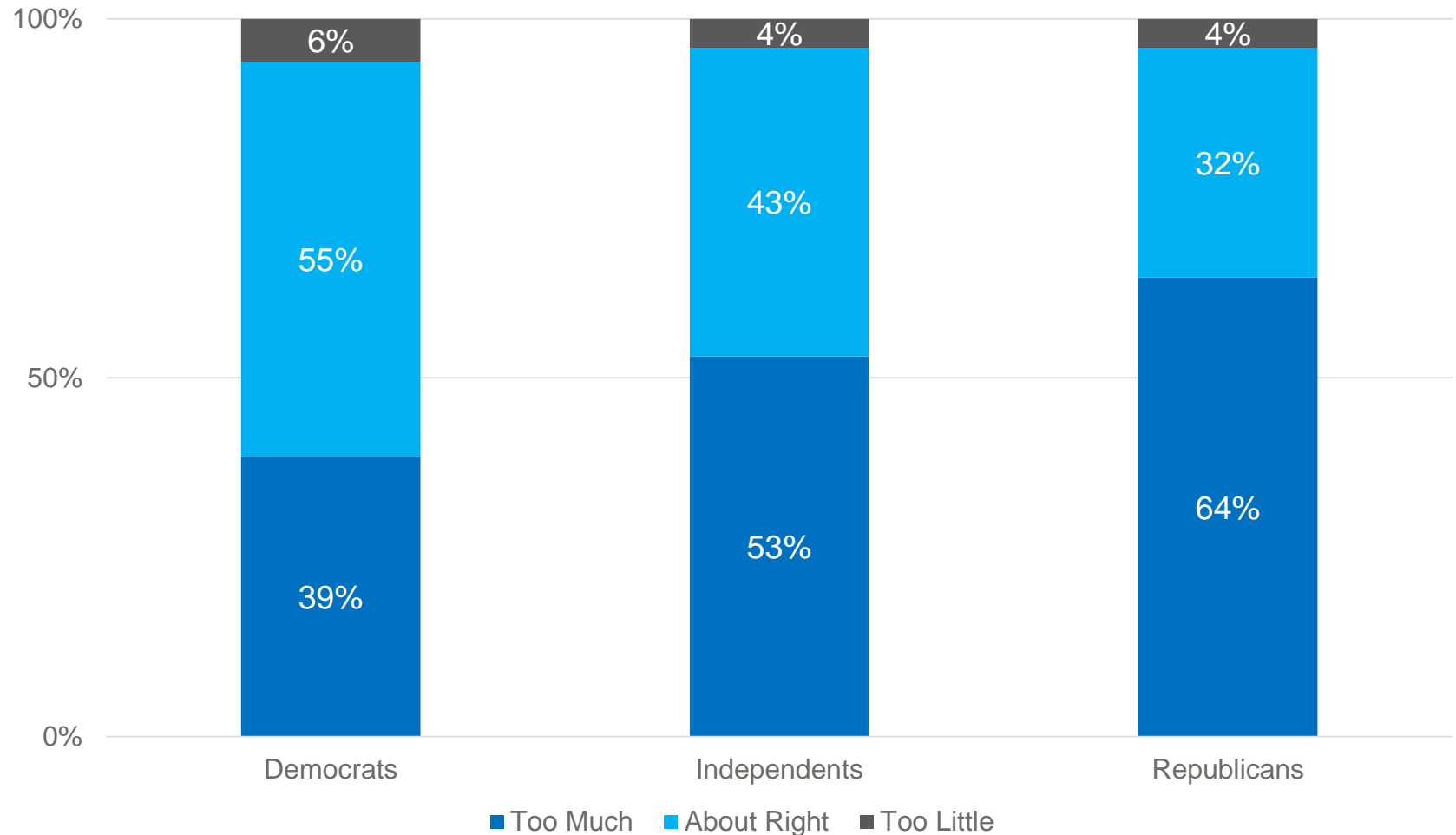


Voters do not believe there is a need to further tax investments

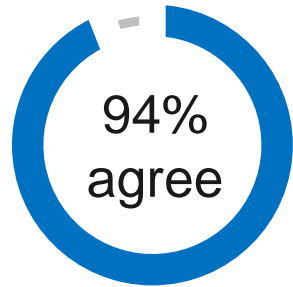
There is no base of support in any party for further taxes on retirement savings

Republicans and independents believe their retirement savings are already taxed too highly

Democrats are comfortable with the current tax structure

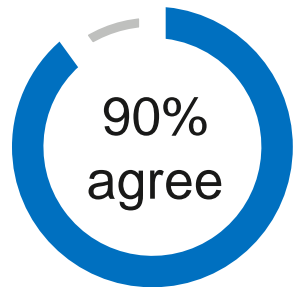
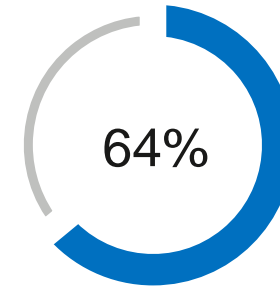


Voters see an FTT working against their top priorities



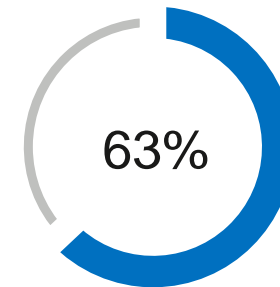
Congress should be focused on helping Americans get back on their feet after the COVID pandemic

but...

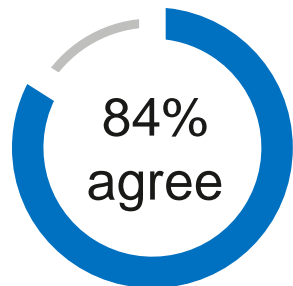


Congress should help reduce the cost of doing business for American companies so they can rehire workers who have been laid-off or furloughed because of COVID

but...

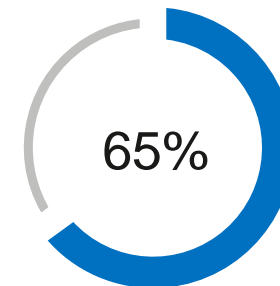


...believe an **FTT will do more to hurt these efforts** than to help

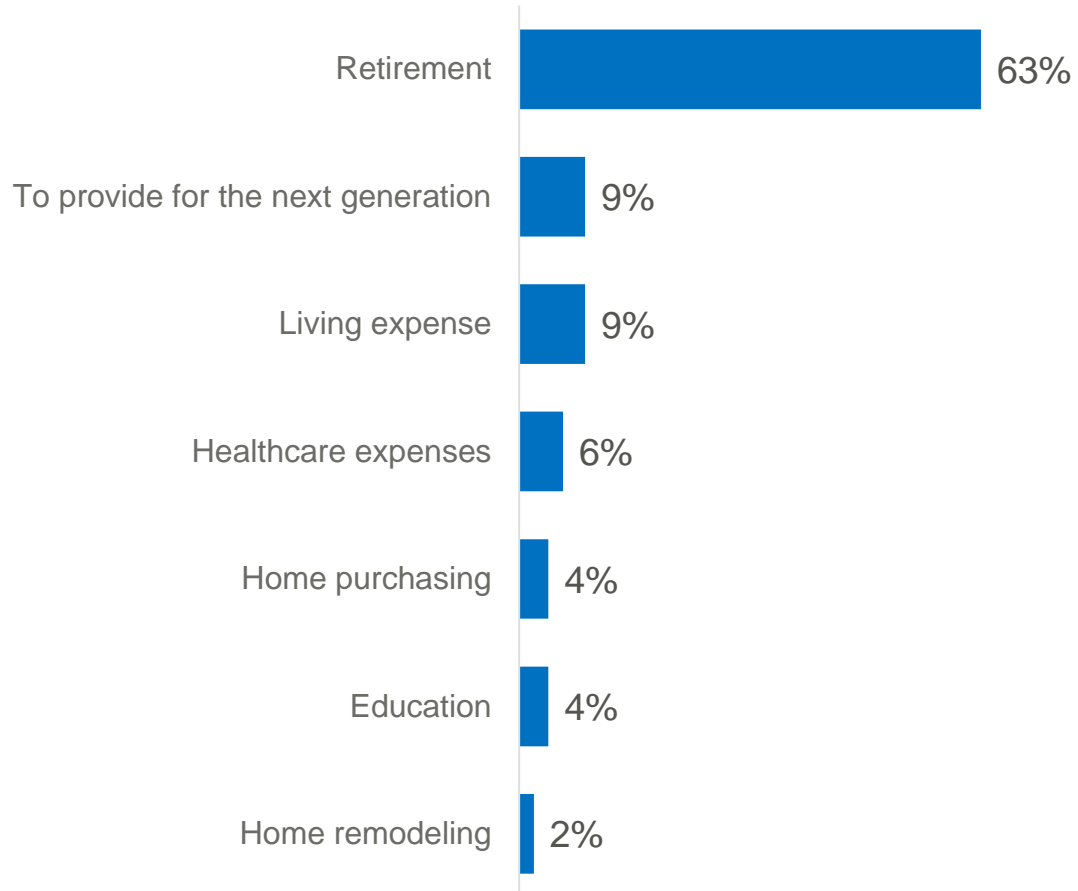


Congress needs to ensure Americans are able to save as much as possible for retirement

but...

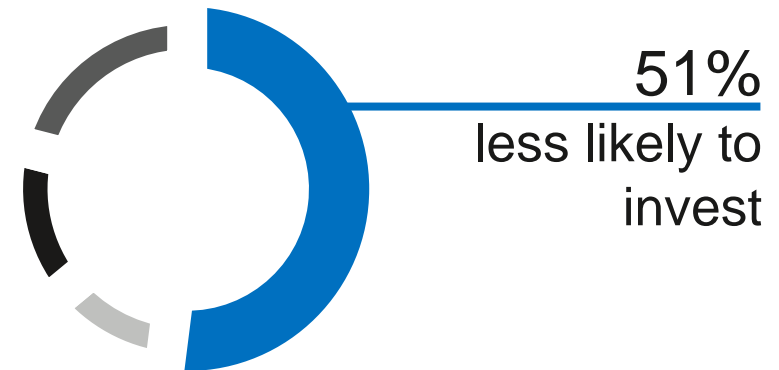


An FTT would directly hurt individual retirement savers



Among voters who also have personal or work-sponsored investments, most are trying to save for retirement

But an FTT would make a majority of these investors less likely to invest in the future



■ Less Likely · Unsure · No Impact · More Likely

Strongest arguments against an FTT center on individual impact

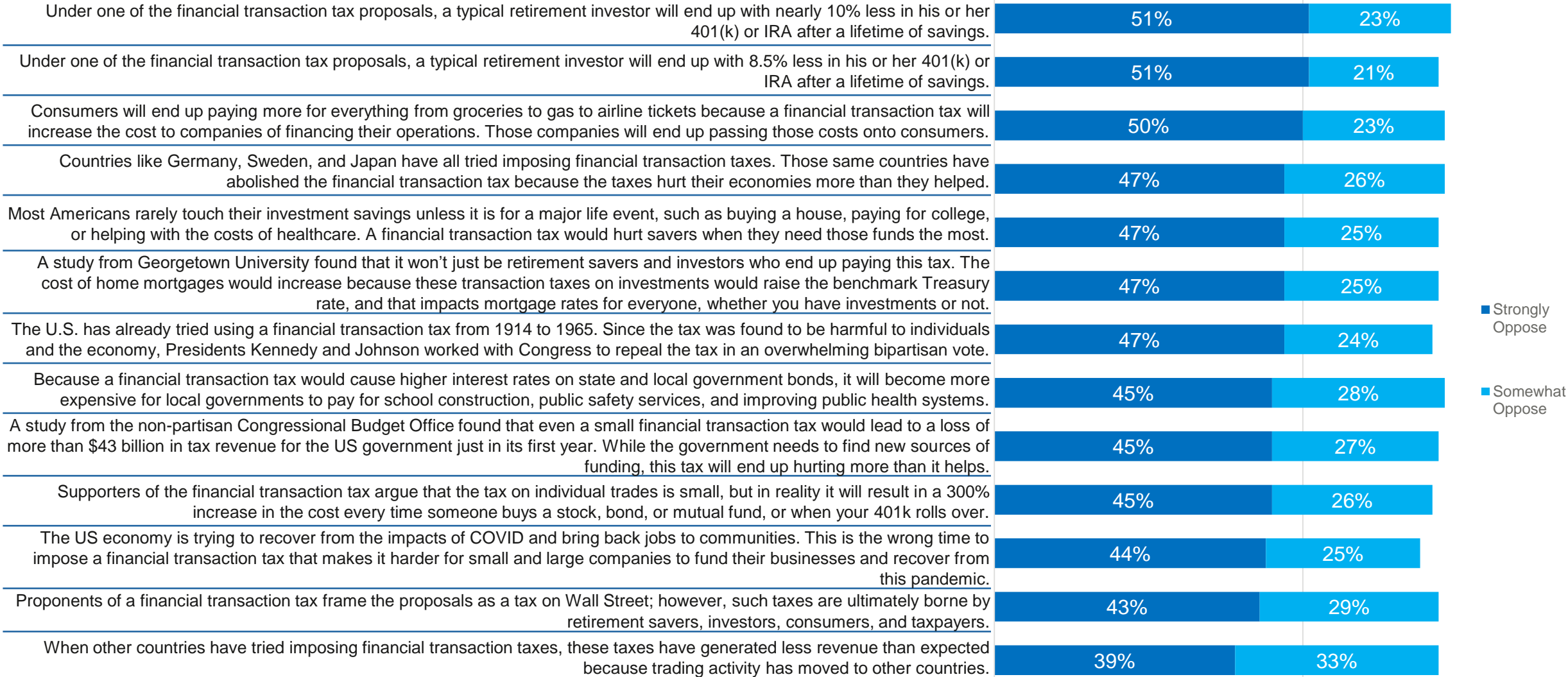
Tier 1 Messages: Tangible impact on individual consumers

- *Under one of the financial transaction tax proposals, a typical retirement investor will end up with 8.5% less in his or her 401(k) or IRA after a lifetime of savings.*
- *Consumers will end up paying more for everything from groceries to gas to airline tickets because a financial transaction tax will increase the cost to companies of financing their operations. Those companies will end up passing those costs onto consumers.*

Tier 2 Messages: The broader context

- *The U.S. has already tried using a financial transaction tax from 1914 to 1965. Since the tax was found to be harmful to individuals and the economy, Presidents Kennedy and Johnson worked with Congress to repeal the tax in an overwhelming bipartisan vote.*
- *Most Americans rarely touch their investment savings unless it is for a major life event, such as buying a house, paying for college, or helping with the costs of healthcare. A financial transaction tax would hurt savers when they need those funds the most.*
- *A study from Georgetown University found that it won't just be retirement savers and investors who end up paying this tax. The cost of home mortgages would increase because these transaction taxes on investments would raise the benchmark Treasury rate, and that impacts mortgage rates for everyone, whether you have investments or not.*
- *Countries like Germany, Sweden, and Japan have all tried imposing financial transaction taxes. Those same countries have abolished the financial transaction tax because the taxes hurt their economies more than they helped.*

Strongest arguments against an FTT center on individual impact



Tailoring the message to each party

Top
bipartisan
messages

Under one of the financial transaction tax proposals, a typical retirement investor will end up with 8.5% less in his or her 401(k) or IRA after a lifetime of savings.

Consumers will end up paying more for everything from groceries to gas to airline tickets because a financial transaction tax will increase the cost to companies of financing their operations. Those companies will end up passing those costs onto consumers.

Unique messages for each party

Democrats

Under one of the financial transaction tax proposals, a typical retirement investor will end up with nearly 10% less in his or her 401(k) or IRA after a lifetime of savings.

Countries like Germany, Sweden, and Japan have all tried imposing financial transaction taxes. Those same countries have abolished the financial transaction tax because the taxes hurt their economies more than they helped.

Independents

Under one of the financial transaction tax proposals, a typical retirement investor will end up with nearly 10% less in his or her 401(k) or IRA after a lifetime of savings.

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Republicans

A study from Georgetown University found that it won't just be retirement savers and investors who end up paying this tax. The cost of home mortgages would increase because these transaction taxes on investments would raise the benchmark Treasury rate, and that impacts mortgage rates for everyone, whether you have investments or not.

Most Americans rarely touch their investment savings unless it is for a major life event, such as buying a house, paying for college, or helping with the costs of healthcare. A financial transaction tax would hurt savers when they need those funds the most.

Key Takeaways

Voters overwhelmingly oppose a potential financial transaction tax

Opposition to an FTT is solidly bipartisan

Voters see an FTT harming the economic recovery from COVID

An FTT would make individuals less likely to invest in the future

Highlighting the direct impact on consumers drives opposition

Supporting messages should provide broader global and historical context

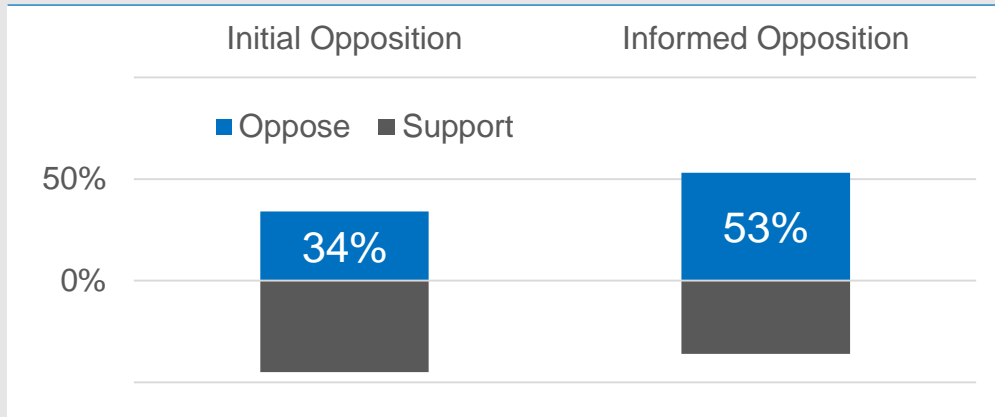


Key States

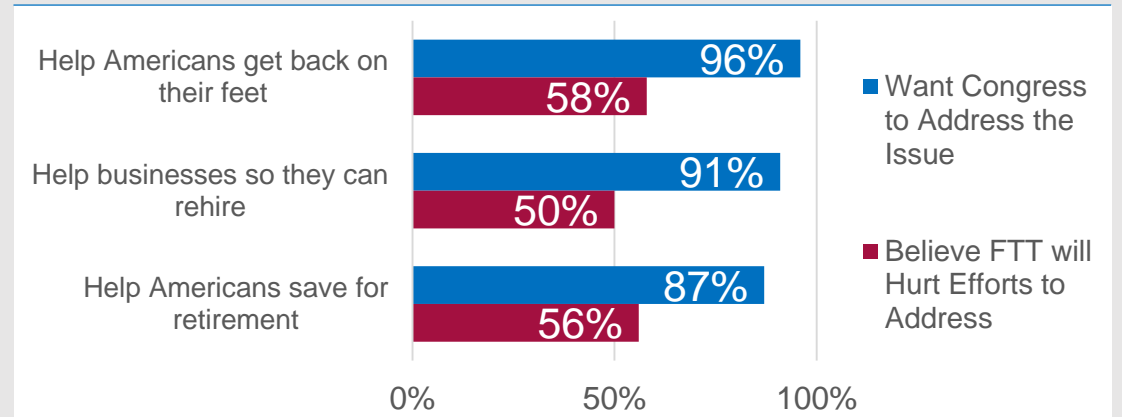
STATE SCORECARD: NEW YORK

- After learning about its potential impacts, a majority of New York voters oppose the tax, including majorities of independents and Republicans, and two-in-five Democrats
- Majorities of New York voters believe an FTT will hurt efforts to achieve their top governmental priorities: helping Americans recover from the pandemic and restarting the economy

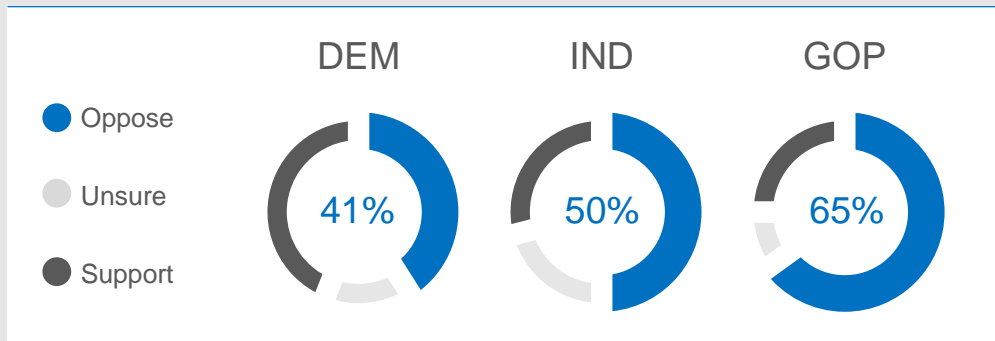
FTT OPPOSITION



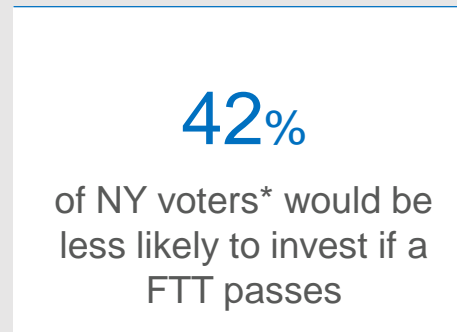
FTT'S NEGATIVE IMPACT ON TOP PRIORITIES



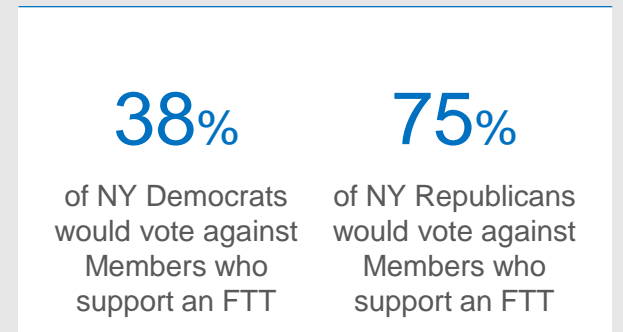
BIPARTISAN OPPOSITION TO A FTT



INVESTING IMPACT



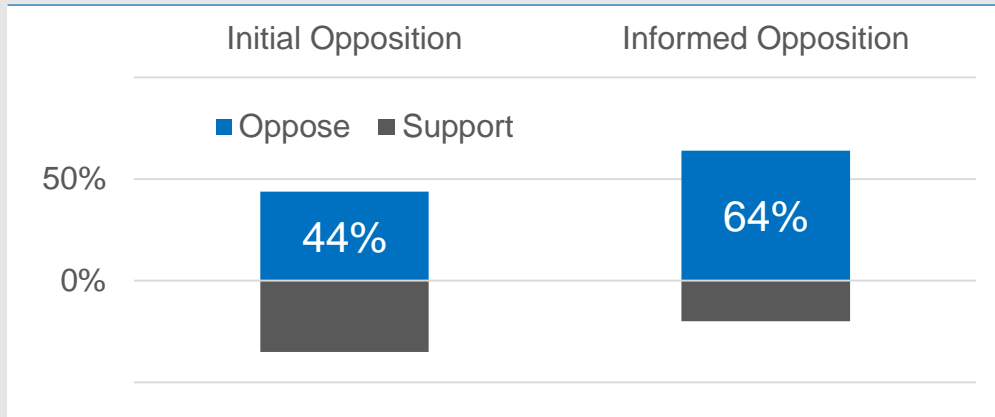
VOTING IMPACT



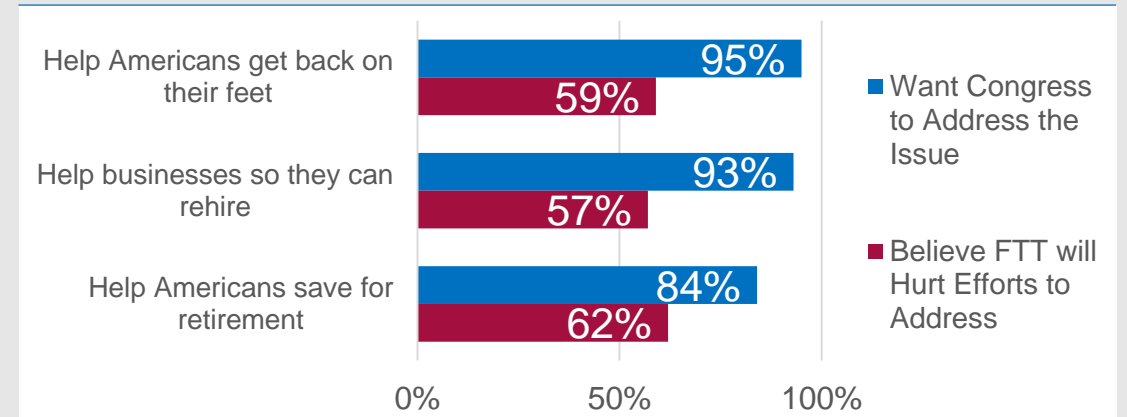
STATE SCORECARD: FLORIDA

- A nearly two-thirds majority of Florida’s likely voters oppose an FTT, including a plurality or outright majority of Democrats, independents, and Republicans
- Strong majorities of Florida voters believe an FTT will hurt efforts to achieve their top governmental priorities: helping Americans recover from the pandemic and restarting the economy
- An FTT is likely to negatively impact Florida retirement savers with more than half saying they would be less likely to invest if Congress passes an FTT

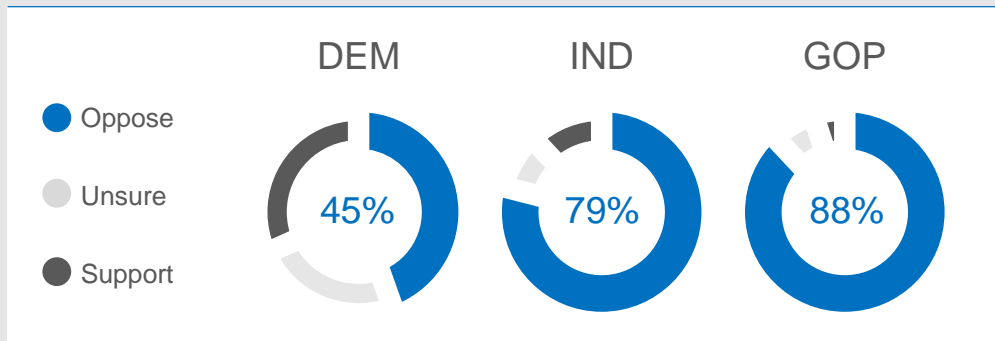
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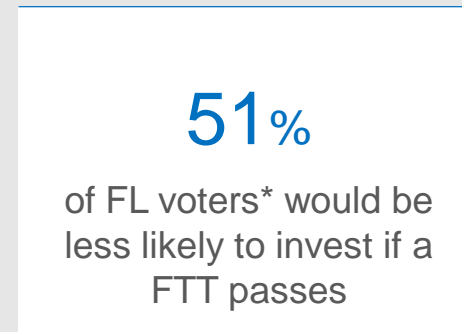
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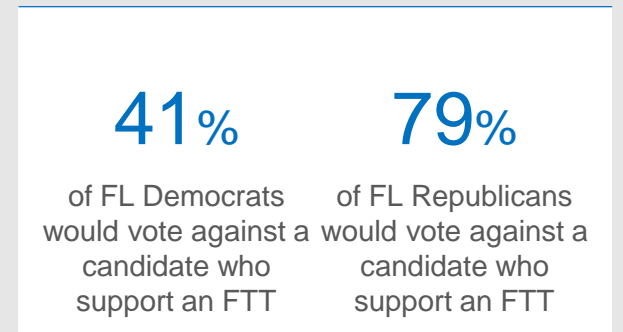
BIPARTISAN OPPOSITION TO A FTT



INVESTING IMPACT



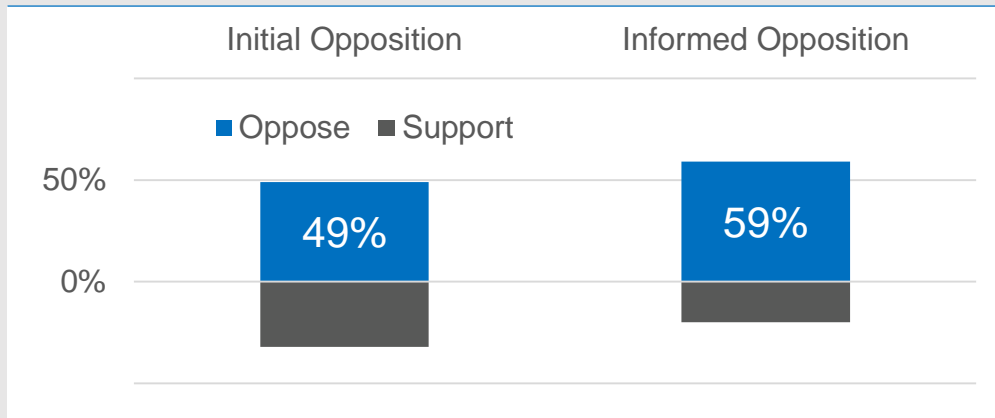
VOTING IMPACT



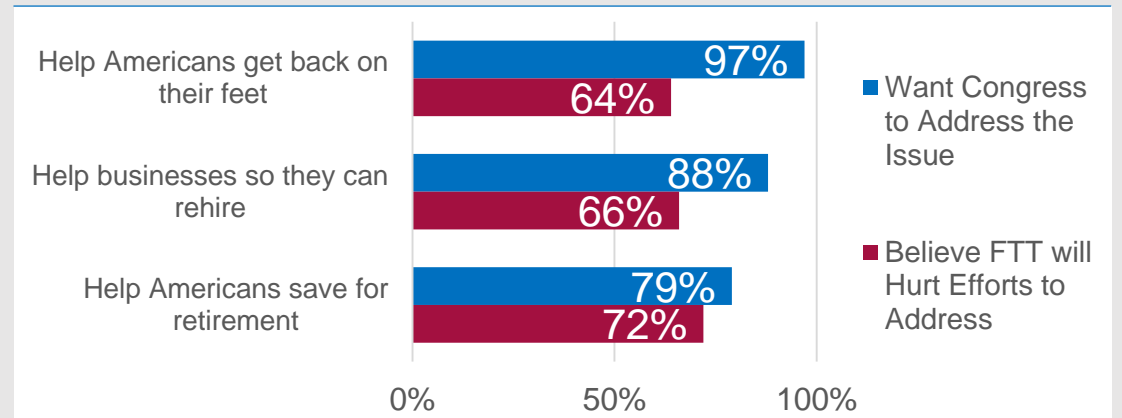
STATE SCORECARD: PENNSYLVANIA

- Pennsylvania likely voters from all parties oppose a potential FTT
- Strong majorities of Pennsylvania voters believe an FTT will hurt efforts to achieve their top governmental priorities: helping Americans recover from the pandemic and restarting the economy
- An FTT is likely to negatively impact Pennsylvanians' retirement with two-in-five saying they would be less likely to invest if Congress passes an FTT

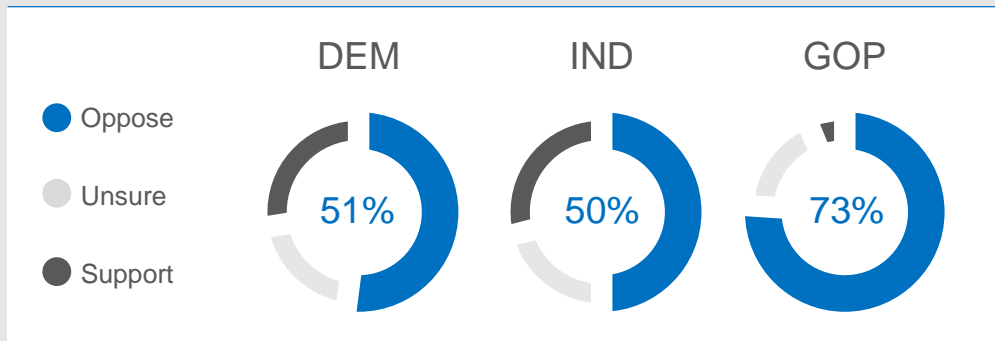
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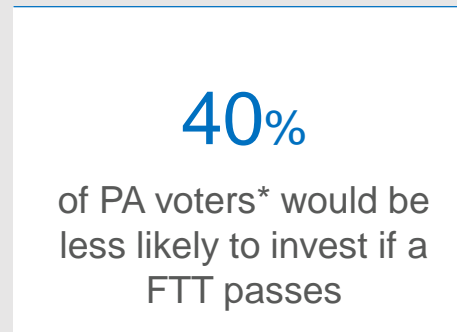
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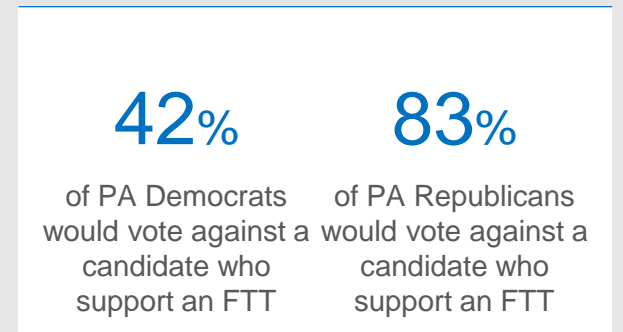
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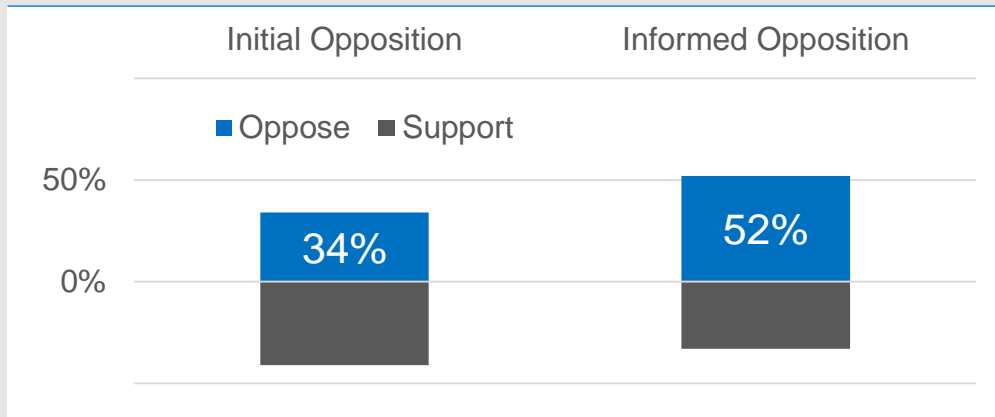
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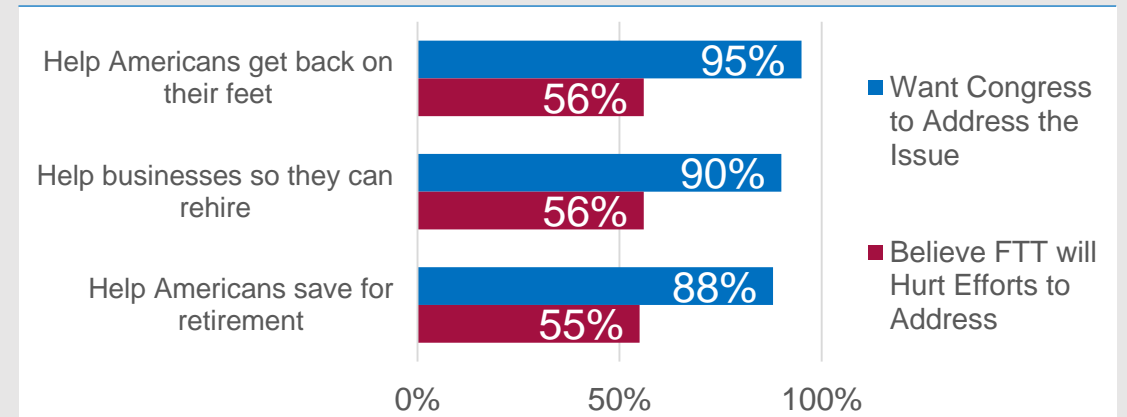
STATE SCORECARD: CALIFORNIA

- Informing Californians about the impacts of an FTT leads to a reversal of opinion and a majority of likely voters opposing the tax
- While California Democrats remain divided on an FTT, independents and Republicans solidly oppose the tax
- An FTT is likely to negatively impact Californians' retirement with nearly half saying they would be less likely to invest if Congress passes an FTT

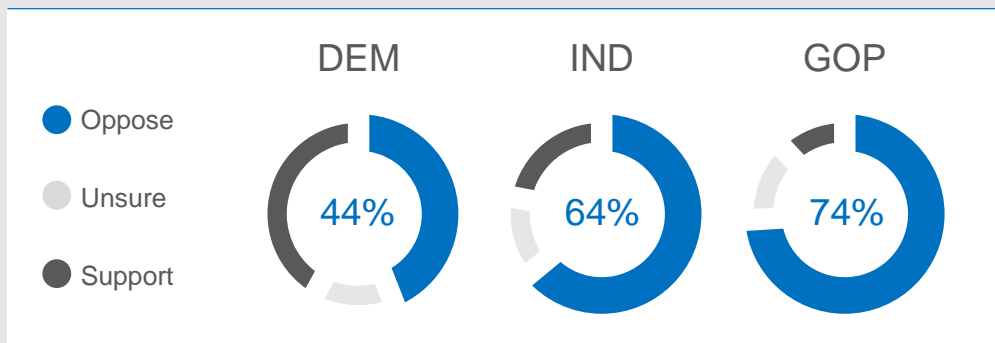
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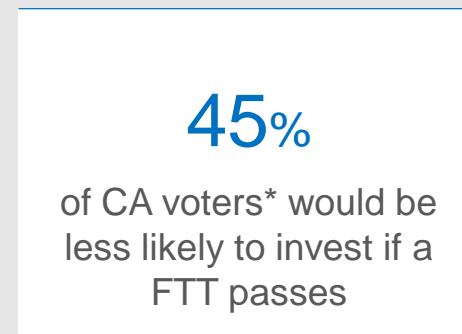
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BIPARTISAN OPPOSITION TO A FTT



INVESTING IMPACT



VOTING IMPACT

