

THE 'FAIR TAX' FLOP

How smart modeling, messaging, and targeting beat JB Pritzker's marquee tax plan

CLIENT:
Illinois Policy

IRON LIGHT



THE CHALLENGE

In March 2020, the Simon Poll found that 65% of Illinois voters favored a graduated income tax over the flat tax. Making this his signature issue, Governor J.B. Pritzker started the campaign with a two-to-one advantage, as well as the Democratic Party's substantial Illinois base.

THE SOLUTION

We built and executed an effective, attention-grabbing messaging strategy to beat Pritzker, which included building an active list of 1.5 million Illinoisans, messaging the graduated income tax's effect on retirement income using the SCARF method (Rock, 2008), and modeling the universe of Illinois voters.

THE RESULTS

Awareness of the retirement tax skyrocketed, which fueled exponential growth in the client's "owned audience," outperforming Pritzker's message on digital. As retirement tax awareness grew among older Illinoisans, so did "fair tax" opposition. The "fair tax" ultimately lost at the ballot box. More than half a million Biden voters voted against it. Further, exit polling revealed the retirement tax message accounted for as many as than 625,000 votes against the tax hike.

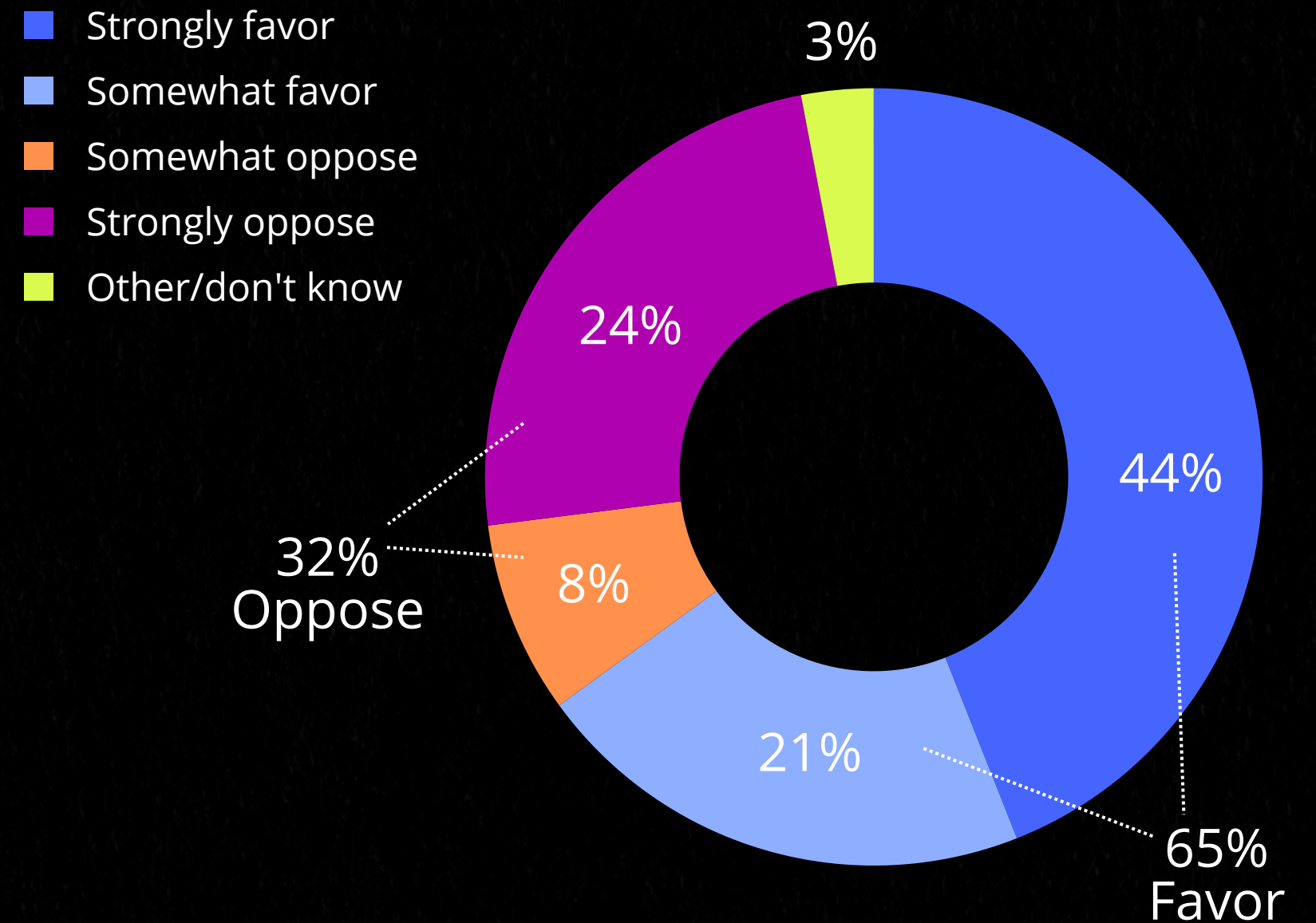


The Challenge

In March 2020, polling showed 65% of Illinois voters favored an amendment to the Illinois Constitution removing the state's flat income tax protection.

And Gov. J.B. Pritzker pledged a minimum of \$55 million to back its passage.

ILLINOIS VOTERS FAVOR GRADUATED INCOME TAX (MARCH 2020)



The Solution

WE BUILT AND EXECUTED A STRATEGY TO BEAT PRITZKER WITH A FRACTION OF HIS TOTAL SPEND, INCLUDING:

- Building an active list of at least 1.5 million Illinoisans across the political spectrum on low-friction policy issues through Facebook lead forms on issues such as a recent gas tax hike.
 - We grew our activist network – the Lincoln Lobby – to more than 21,000 Illinoisans. These volunteers sent nearly 1 million text messages to target voters and contacted more than 20,000 voters in person across 74 districts with our literature. We focused this personalized outreach on low-turnout voters that were modeled as opposing the progressive tax.
- Leveraging issue polling to identify the most effective counter to Pritzker’s “fairness” argument (“only Illinoisans making \$250K will pay more”), making a potential tax on retirement income the biggest issue of the campaign. A unicorn used car salesman served as our spokesman.
- Modeling the universe of Illinois voters, with a win target of 3 million votes.
 - Micro-targeting 400,000 low-propensity voters through GOTV texts and phone calls; and 1.2 million persuadable voters with the retirement tax message.



A KILLER MESSAGE

Iron Light uses the **SCARF** model (Rock, 2008) to build the most effective, attention-grabbing messaging for our campaigns. Pritzker's campaign leveraged FAIRNESS. Our team leveraged CERTAINTY.

Our polling found the most effective persuasion message across all age groups, demographic groups and party affiliation was that the "fair tax" **would make it easier to tax retirement income in Illinois.**

While allied groups ran TV ads to match Pritzker's spend on the airwaves, our digital campaign – conducted through Illinois Policy and ballot committee Vote No on Illinois Corruption – was the largest and most effective persuasion tool on the retirement tax message.

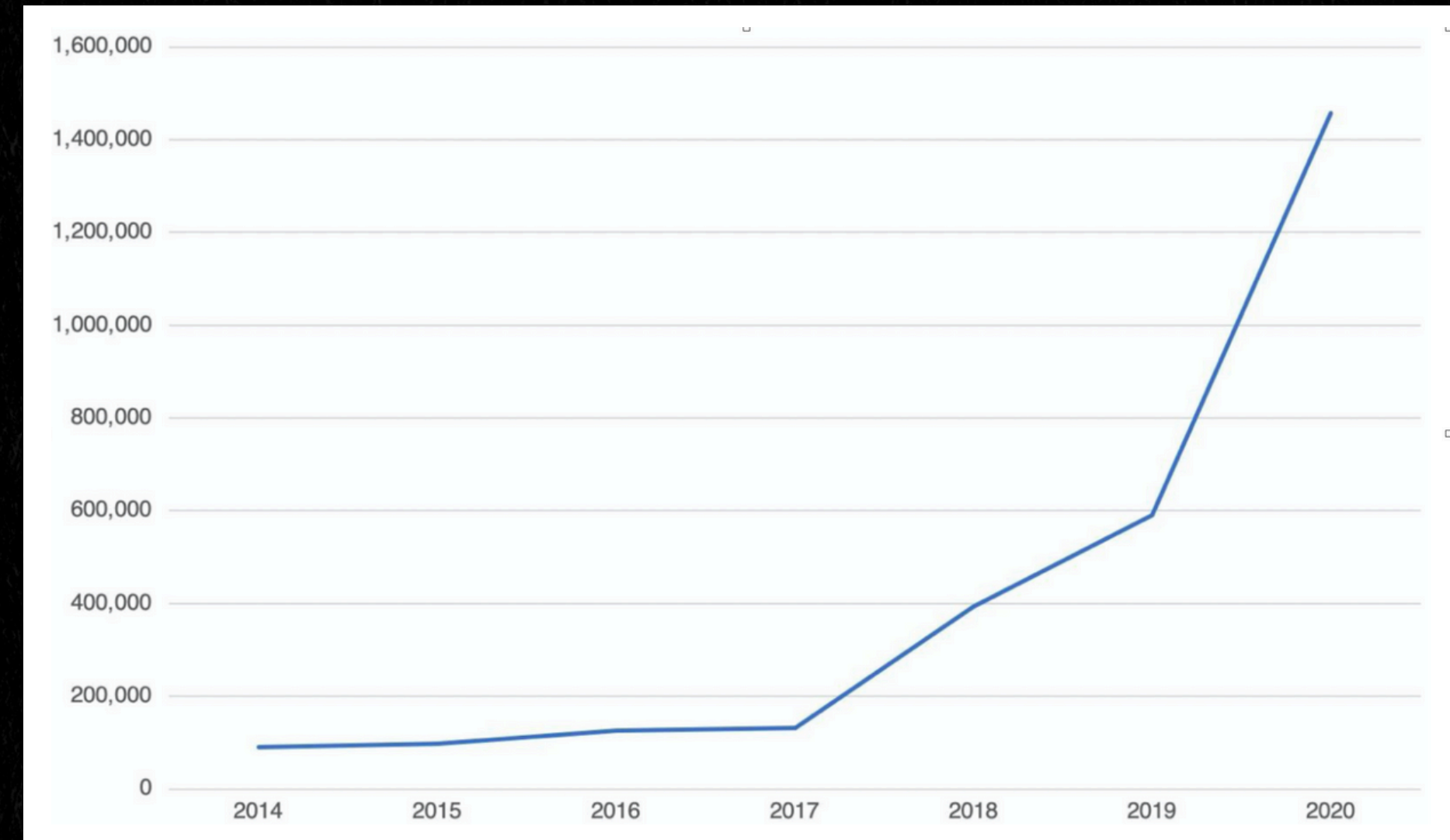


BUILDING A MEGAPHONE

We drove exponential growth in Illinois Policy's owned audience.

How could we be certain our message would penetrate? By Election Day, we grew our opt-in email list from under 600,000 to 1.5 million, allowing us to outperform all other groups engaged in the "fair tax" issue on digital – including Pritzker – despite a fraction of the spend.

EMAIL OPT-IN WITH FIRST NAME, LAST NAME, EMAIL ADDRESS AND ZIP CODE (2014-2020)



UNMATCHED DIGITAL

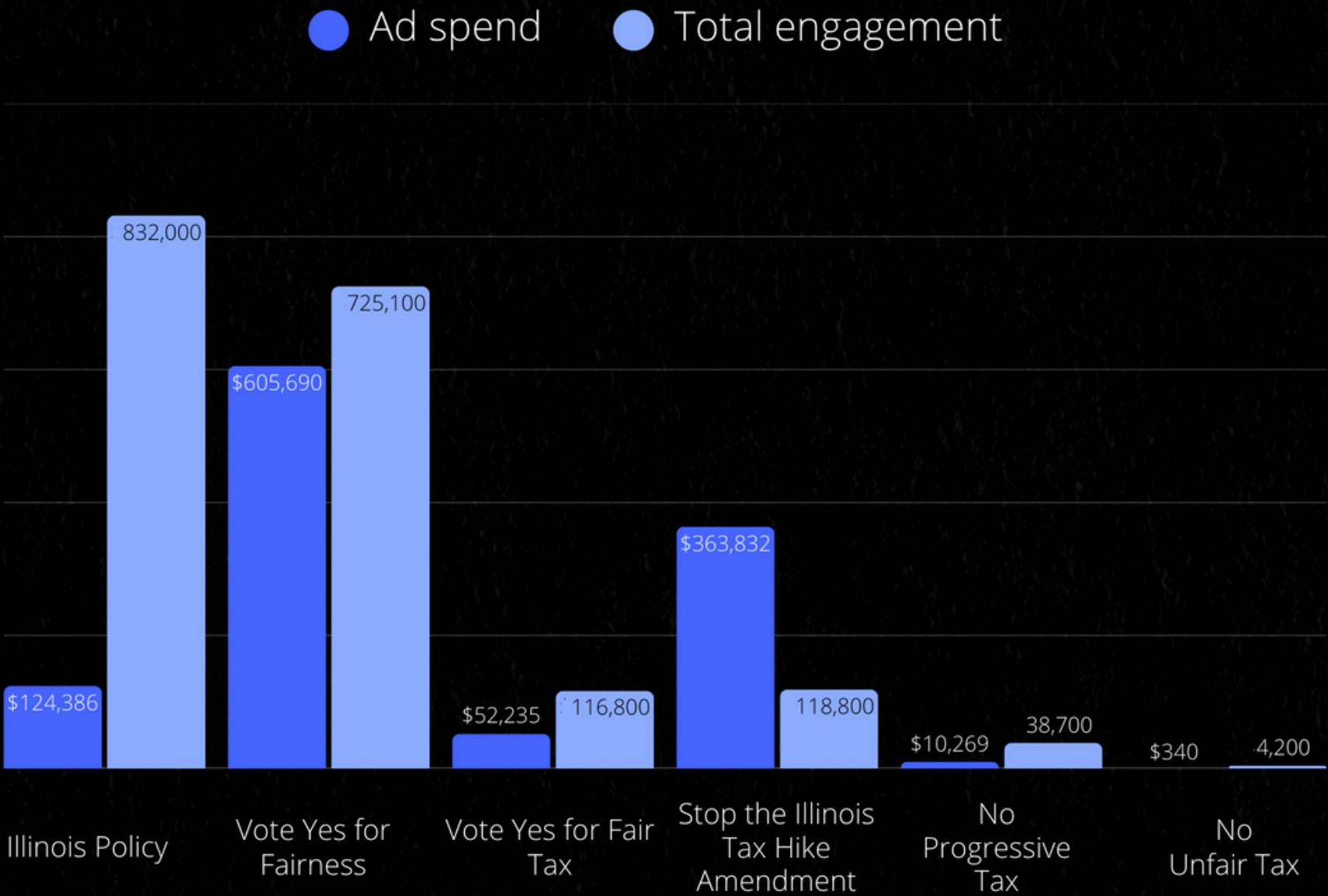
Our team earned a larger share of voice on social than Pritzker, with a fraction of the total spend.

Despite being outspent 5:1 on Facebook in the weeks leading up to Election Day, we outperformed Pritzker’s message on social.

Of the top 100 best-performing posts across all digital media from all organizations involved in the progressive tax fight, measured by engagement, 80 came from our team. (Source: RivalIQ)

Our content reached 6.8 million Illinoisans and earned 2.8 million engagements (reactions, comments, shares or clicks) on social media from Oct. 1 through Election Day.

ILLINOIS POLICY ENGAGEMENT ON META OUTPERFORMED ALL OTHER BRANDS IN THE WEEK LEADING UP TO ELECTION DAY

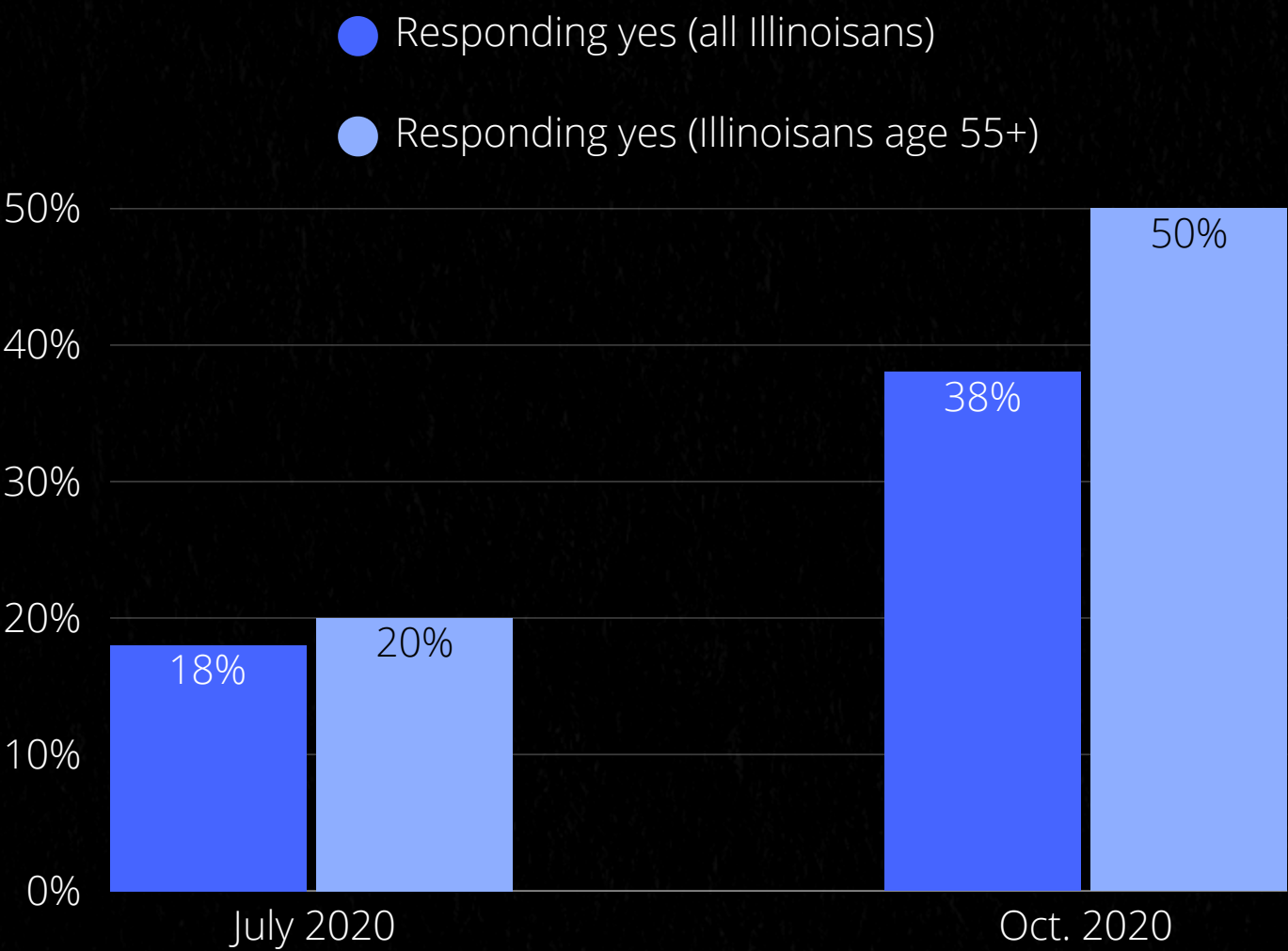


MOVING THE NEEDLE

As retirement tax awareness grew among older Illinoisans, so did “fair tax” opposition

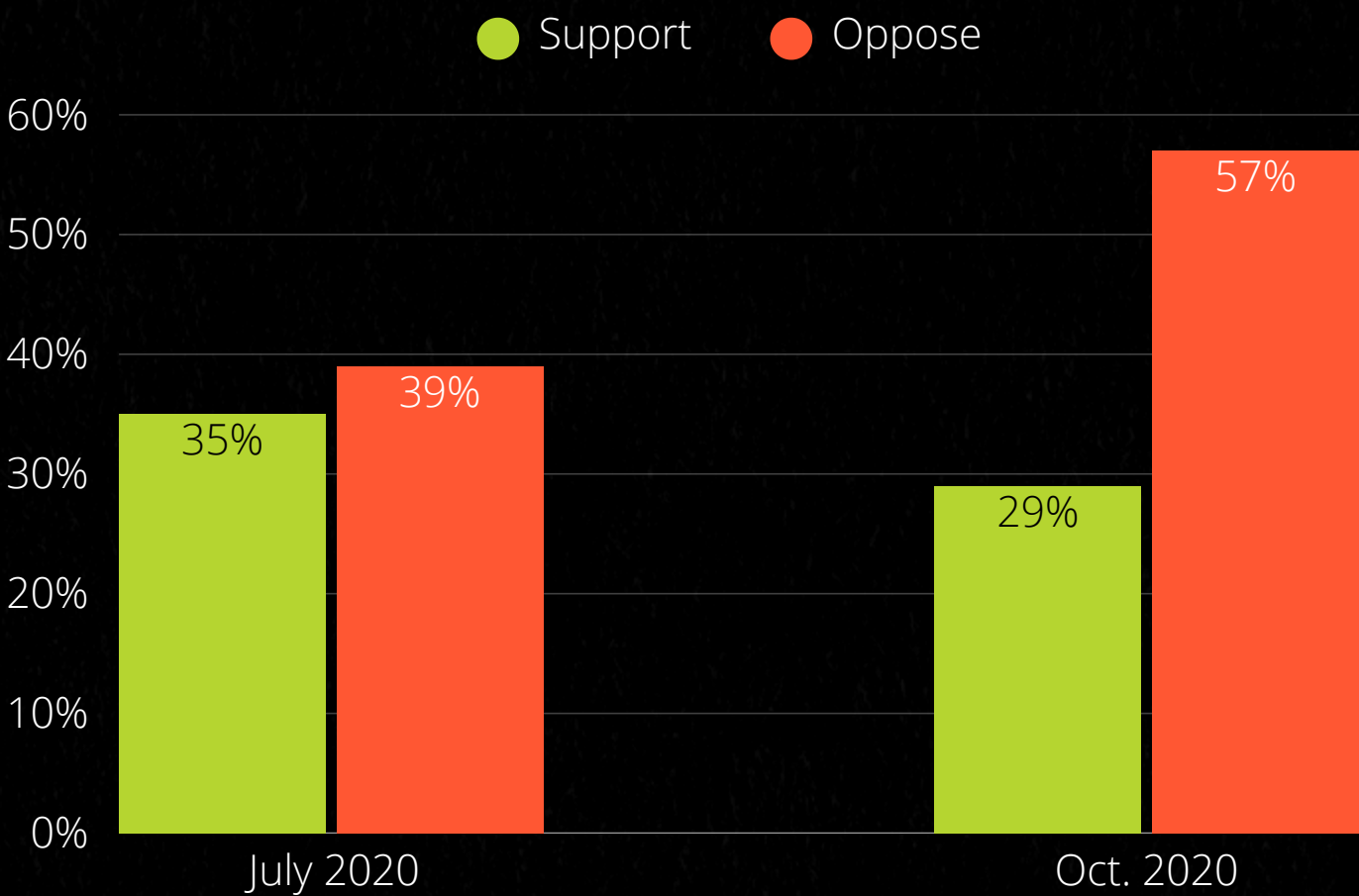
RETIREMENT TAX AWARENESS

Q: Retirement income is currently tax-exempt in Illinois. Are you aware that passing a progressive income tax in Illinois would make a retirement tax more likely?



FAIR TAX SUPPORT/OPPOSE

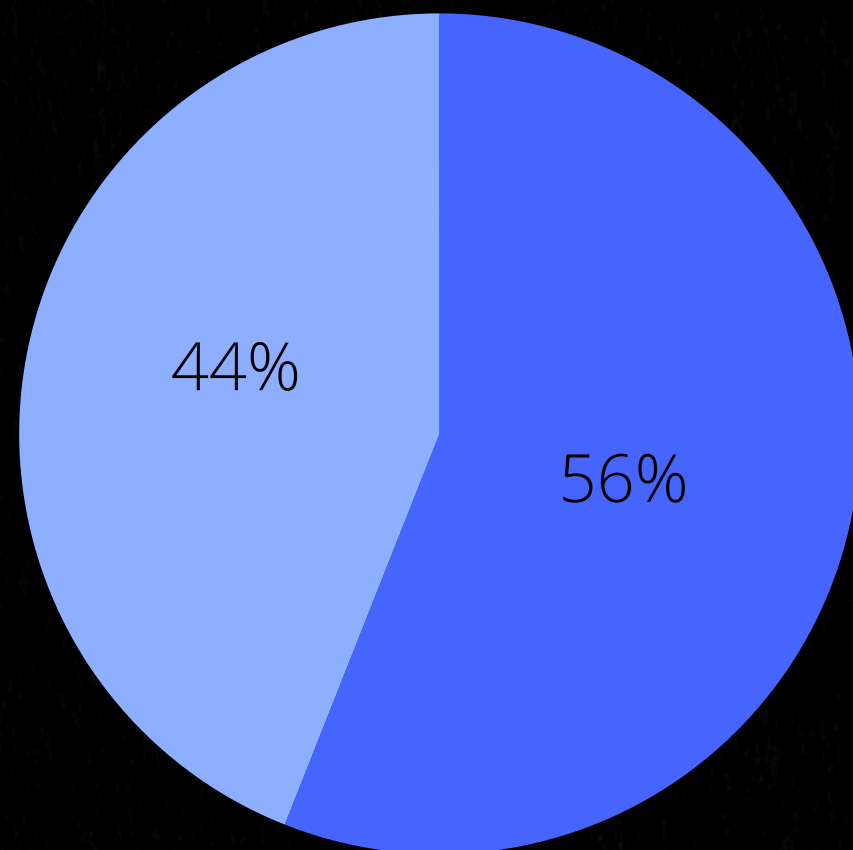
Q: Do you support or oppose amending the Illinois Constitution to grant the State the authority to impose higher income tax rates on higher income levels (Illinoisans age 55+)



MEDIA DOMINANCE

ILLINOIS POLICY DOMINATES LEGACY MEDIA COVERAGE OF THE 'FAIR TAX'

- Illinois Policy featured or mentioned
- Illinois Policy not mentioned



The Illinois Policy Institute was the leading expert voice in earned media throughout the progressive income tax campaign. In the six months leading up to Election Day, media outlets statewide and nationwide covered the progressive tax proposal in Illinois more than 1,800 times. The Illinois Policy Institute was either mentioned or a main focus in 1,028 of these stories. That means **every other story Illinoisans would read about the progressive income tax amendment featured Institute experts, research or our legal action challenging the biased ballot language.**

MEDIA DOMINANCE

Our October lawsuit challenging the misleading language on the “fair tax” ballot question captured enormous media attention and reinforced our retirement tax message at a critical point in the campaign.

“The questions raised about retirement income clearly are having an impact on whether [the “fair tax”] does pass.”

Mary Ann Ahern,
NBC 5



“I have to admire [Illinois Policy’s] successful effort to get us all talking about an issue that isn’t even remotely on the table.”

Eric Zorn *on the
retirement tax issue,*
Chicago Tribune

**Chicago
Tribune**

“The flap over retirement income, combined with other factors, now is endangering passage prospects for the amendment.”

Greg Hinz,
*Crain’s Chicago
Business*

CRAIN’S
CHICAGO BUSINESS.



The Results

VOTED NO: 3 million (53%)

VOTED YES: 2.7 million (47%)

★ 500,000+ Biden voters voted no



More than 70,000 low propensity voters modeled as likely to vote no on the progressive tax submitted their vote early after receiving our text message campaign or using our online polling place lookup tool – at an incredibly low cost per vote of \$2.16. These are Illinoisans who had not voted in the previous four general elections and likely would not have voted if not for our outreach. Among swing voters casting their ballots early, 22% said the primary reason they cast a no vote was that the “fair tax” made a retirement tax more likely – meaning the retirement tax message alone accounted for as many as 625,000 votes against the amendment.

IRON LIGHT

Solving Wicked Problems