

# FAIR - AND - ADEQUATE

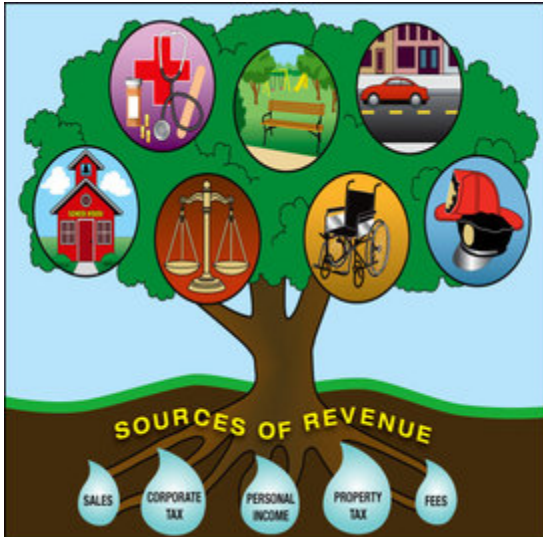
close tax loopholes

protect public structures

control property taxes

May 2011

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## What about Revenue?

Governor Walker's state budget for 2011-2013 fails to support vital services and infrastructure in Wisconsin. In fact, it reduces funding for communities by over \$2 billion. This impacts public schools; the University of Wisconsin system; technical colleges; all county and municipal services; justice and corrections; tax-relief for low-income working families; medical assistance; programs for the elderly, children and people with disabilities; energy conservation, environmental protection; and more. The Walker budget **does not** propose a single mechanism for increasing revenue to lessen the extraordinary cuts.

There are ways to deal with the state deficit without shredding Wisconsin's way of life. Increasing revenue is a viable strategy since there are many untapped sources of income to maintain strong communities. IWF has released a [Catalog of Revenue Options](#) that offers state leaders multiple ways to raise state revenue and protect classrooms, neighborhoods and key services.

For example, major corporations and rich investors often pay much lower taxes (as a percent of income) than middle class working families. Closing corporate loopholes as well as tax hikes on investment profits and inheritances over \$1million would generate hundreds of millions of dollars to save systems we depend on. State and national polls show that well over 60% of people surveyed support increasing the tax responsibility of those who control the majority of wealth. As the budget debate rages on, it is crucial to learn more about revenue options and let state leaders know that starving communities is the real problem and raising money is the real solution for a sound economy and shared prosperity in the coming decade.

<http://www.wisconsinsfuture.org/>



## [Standing up for Public Education](#)

Dr. John Jackson, President and CEO of the Schott Foundation for Public Education, meets with education activists and concerned parents May 18th at 6:30pm in Milwaukee. All are welcome!

The community meeting is in Milwaukee at:  
[Audubon Technology & Communication Center](#)  
3300 South 39th Street (in the Cafeteria)  
(between Oklahoma and Morgan Avenues.)

Dr. Jackson is leading a national fight for strong public schools through the Opportunity to Learn (OTL) initiative. The OTL mission is to advocate for successful learning environments and ensure that all students have a guaranteed right to four core resources needed to provide a fair and substantive Opportunity To Learn. The core resources are:

- Highly effective teacher
- Early childhood education
- College Preparatory curricula
- Equitable instructional resources

Learn more about OTL at <http://www.otlcampaign.org/>  
 For more information, call IWF at (414) 967-1682



### The Tired Lie about Low Taxes

At the left is downtown Sioux Falls, the largest city in South Dakota. The Tax Foundation has named South Dakota the most business friendly state in the nation for 2011. Runners up are: Alaska, Wyoming, Nevada, Florida, Montana, New Hampshire, Delaware, Utah and Indiana.

The most business unfriendly are: North Carolina, Rhode Island, Minnesota, Maryland, Iowa, Ohio, Connecticut, New Jersey, California and New York - the worst state to do business. Someone should notify Donald Trump.



The fact is - low taxes have very little to do with economic growth. A recent analysis by IWF of jobs and tax data shows the opposite to be true. The ten highest tax states had better economic growth patterns than the ten lowest tax states.

<b>Tax Status</b> <a href="http://www.wisconsinfuture.org/publications_pdfs/newsletter/may_2011_method.pdf">click here for methodology details</a> <a href="http://www.wisconsinfuture.org/publications_pdfs/newsletter/may_2011_method.pdf">http://www.wisconsinfuture.org/publications_pdfs/newsletter/may_2011_method.pdf</a>	<b>Median Private Sector Job growth 2001-2010</b>
<b>10 states with the highest business taxes as a percent of economy size</b>	<b>+3 %</b>
<b>10 states with the lowest business taxes as a percent of economy size</b>	<b>- 2 %</b>
<b>10 states with the highest business taxes on new investments</b>	<b>0 %</b>
<b>10 states with the lowest business taxes on new investments</b>	<b>- 2 %</b>

## The rich get richer and working families don't



The pay of Wisconsin's top corporate executives rose an average of 27% in 2010, a year when unemployment hovered around 8% and pay to the average worker in the state fell.

On average, total compensation for chief executive officers at 57 publicly traded companies increased by about \$1 million last year, bringing the average CEO's pay up to \$3.89 million. The raise more than made up for two years of compensation declines, according to the annual

[Journal Sentinel review of executive pay.](#)

As a group, the 57 companies paid their chief executives more than \$237 million combined last year - a sum that is greater than the 2011 general fund budget for the City of Madison. Topping the pay charts again was **Johnson Controls Inc.'s Stephen Roell**, who received a 53% pay increase, bringing his pay package to run the state's largest public company up to \$17.6 million.

The average worker in Wisconsin made \$39,104 as of last fall, down from \$39,156 the previous year, according to the state Department of Workforce Development. So the average Wisconsin public company CEO made about 100 times more than the typical working person in 2010.

<http://www.jsonline.com/business/121822344.html>

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## How the rich protect their wealth

We have reached the point in which the richest 1% of Americans have more wealth than the bottom 95% combined, a sad truth verified in 2009 by [PolitiFact.com](#). The 400 richest Americans have a bigger net worth than half of all Americans collectively, another harrowing statistic confirmed by PolitiFact earlier this year.



Such a grotesque redistribution of wealth from the many to a privileged few is inconsistent with any legitimate notion of economic justice, not to mention incompatible with democracy. This condition is the product of a long series of deliberate policy decisions flowing from a corrupted political process. It also, in turn, reinforces the establishment of plutocracy - government of, by and for the wealthy. According to Mike McCabe, Director of the Wisconsin Democracy Campaign, there are direct links between wealth, campaign contributions and government policies that protect this wealth.

<http://www.jsonline.com/news/opinion/121810739.html>

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## Quote of the Month

Over the last 30 years, we have disproportionately benefited from economic policy. We feel it's time to rebalance the economy so that it works for everyone – not just the wealthy. Our country is facing unprecedented economic challenges right now: We *all* need to pay our fair share to resolve these issues and make long overdue investments in education, health, energy and infrastructure. (Wealth for the Common Good)

Wealth for the Common Good is a network of business leaders, high-income households and partners working together to promote shared prosperity and fair taxation. Members include entrepreneurs, doctors, lawyers, school teachers, engineers and elected officials of all backgrounds, political stripes and from all over the country.

<http://wealthforcommongood.org/>