

Let's Build a Moral Economy for Vermont

Step One: Develop a Current Services Budget

A Current Services Budget is a projection of the real cost of the public services that elected officials have committed the state to provide.

It would close the gap between Montpelier's approach to budget making and Vermonters' real needs. That would increase transparency and make meaningful public participation and progress possible.

Vermont projects the cost of maintaining roads and bridges and other transportation needs. We can do the same for human services, education, public protection, and other essential state services. A Current Services Budget invites an honest conversation about a moral economy where all Vermonters can prosper.



www.publicassets.org

802-223-6677 sarah@publicassets.org



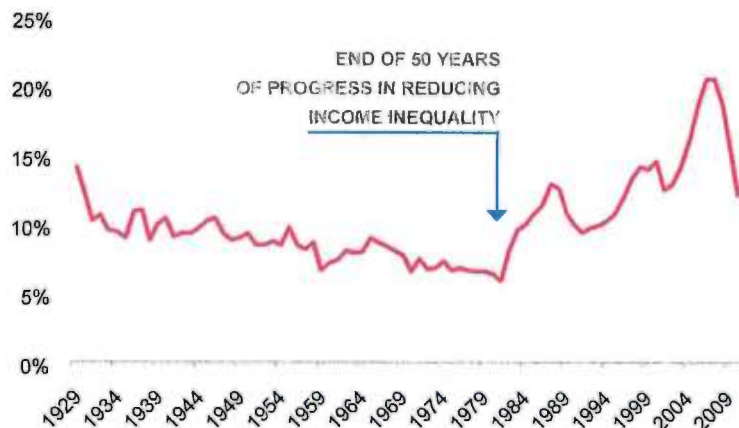
www.viavt.org

802-310-4625 debbie@viavt.org

Income for the Top 1% Reached New Heights in the 2000s

Share of income received by the top 1% of Vermont taxpayers, 1929-2011

For 50 years after the Great Depression, Vermont's gap between rich and poor shrank. The share of total income going to the top 1 percent declined from 14 percent in 1929 to 6 percent in 1981. But since then, we've wiped out our progress toward income equality. The share going to the wealthiest 1 percent peaked at over 20 percent in 2006.



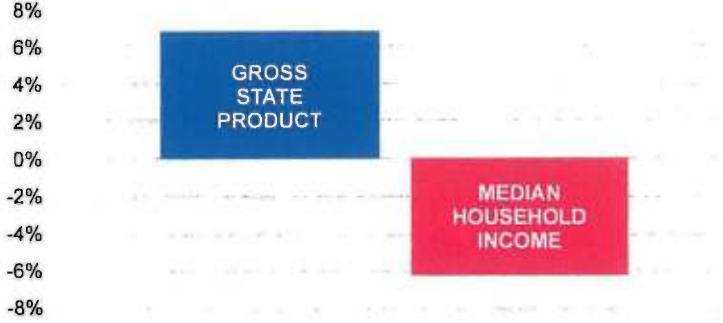
Data source: Mark W. Frank, Professor of Economics, Sam Houston State University
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Vermont's Economy Has Grown, But Incomes Have Fallen

Change in gross state product and median household income, after inflation, 2009-2013

After adjusting for inflation, the gross state product¹ increased nearly 10 percent between 2009, the official end of the recession, and 2013. That was the second-highest growth rate in New England for that period, and the 16th highest among all the states. But renewed growth in the overall economy hasn't raised the income of many Vermonters. Median household income²—after adjusting for inflation—decreased for the second straight year in 2013, to \$52,578.



Data sources: U.S. Bureau of Economic Analysis; Economic Policy Institute analysis of U.S. Census, American Community Survey data ©2015 Public Assets Institute

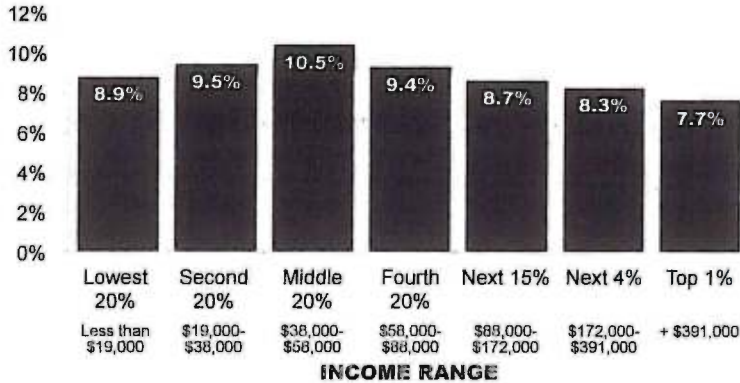
- 1 The value of all goods and services produced in the state. \$29.5 billion in 2013.
- 2 Half of all households have incomes higher than the median and half have incomes lower.



As a Share of Income, Total Taxes are Lowest for Vermont's Wealthiest

Projected 2015 state and local taxes as a percentage of 2012 income, by income range

Vermont's income tax is progressive: To pay fairly for the public services we all use, higher earners are taxed at higher rates. But considering all state and local taxes—including income, property, and consumption taxes—the highest-income Vermonters contribute a smaller share of their incomes than do Vermonters with middle and lower incomes.



Source: The Institute on Taxation and Economic Policy, *Who Pays?*, 5th edition ©2015 Public Assets Institute

