



## Economists Letter Helped Push for New Jersey Millionaires Tax

SEPTEMBER 28, 2020

We are excited to share recent news of how SSN is connecting researchers with policy.

As states manage the economic impact of COVID-19, many have looked to compensate for revenue shortfalls by cutting spending on housing, public transportation, and healthcare. These cuts would erode the health and social infrastructure needed to continue combatting COVID-19, exacerbate the economic downturn, and increase inequality.

In coordination with [New Jersey Policy Perspective](#) (NJPP), SSN helped create an open letter to push back against these measures in the state. Two local economists authored a letter directed at the New Jersey legislature [calling on state leadership](#) to balance the budget with tax increases on the state's wealthiest residents and biggest corporations instead of counterproductive budget cuts. Together, the lead authors, NJPP, and the [local SSN chapter](#) used their network to share the letter with experts from across the state. More than 90 New Jersey based economic policy experts added their names to the letter in support of an evidenced-based approach to economic recovery.

The letter was covered in a number of New Jersey regional outlets including [The Star Ledger](#), [Patch](#), [WNYC](#), as well as [Bloomberg](#).

In September, New Jersey Gov. Philip Murphy announced the inclusion of a millionaires tax in the state budget, one of the recommendations outlined in the open letter. In his budget address, the governor referenced the letter, saying:

"A group of one hundred leading economists echoed this point in an open letter to me and to Legislative leadership. They note, correctly, that years of poor fiscal decision-making have left too many New Jerseyans vulnerable to the global recession that this pandemic has created. And, they note, also correctly, that an overreliance on cuts would be counterproductive not just to our efforts to contain the economic impacts of COVID-19, but to the ability of millions of families to get ahead – notably low-income households, single mothers, and people of color. We've heard these warnings before – the last time in 2009, just as the last recession began gutting our state. And, we were one of the last states in the entire nation to get back on our feet. Maybe it's about time we start heeding them."

NJPP highlighted the role the letter played in their work with state policymakers:

"[The letter] was something we pointed to in meetings with lawmakers. We heard from a few lawmakers that we met with that they received the message loud and clear about us not being able to dig ourselves out of this hole with austerity and spending cuts."

The announcement of the new millionaires tax in the governor's budget was covered by [The New York Times](#).