

EVIDENCE-BASED SOLUTIONS

Thirteen Ways Massachusetts Can Combat Inequality

Here are thirteen research-based ways Massachusetts can combat income inequality and boost the economic fortunes of workers and their families – outlined by SSN member scholars including economists, sociologists, and others based in universities across the state and the nation.

Reforms in Social Investments

- 1. **Raise the minimum wage.** Repeated, modest <u>minimum wage increases</u> are the best way to pull up wages and reduce income inequality. Massachusetts recently raised its minimum, so the next step is to pass enabling legislation to let municipalities set higher minimums.
- 2. **Raise the state Earned Income Tax Credit.** A proven way to help working families is by increasing the state <u>Earned Income Tax Credit</u>. Specifically, Massachusetts could raise the rate for childless workers to 200% of the federal level.
- 3. **Provide universal preschool.** Other states have already invested in publicly-funded preschool, childcare, and parent coaching. <u>Universal preschool offers a triple win</u>: it improves long-term life prospects for children, gives parents more freedom to participate in the workforce, and creates good jobs for preschool teachers and educators.
- 4. **Increase the supply of housing.** Housing in Massachusetts is too expensive, eating up wages and preventing low and middle class families from becoming home owners and building assets. Bold zoning and regulatory reforms could make it easier to build tall, multiuse, multi-family buildings near transit routes. The state could increase subsidies for low-income buyers and renters and create incentives for developers to build affordable housing.
- 5. **Invest in higher education.** <u>High college costs</u> prevent many students from attending and leave others crippled by debt. Increased public investment could reduce costs for students and strengthen state universities and community colleges. The state could also increase workforce training by funding apprenticeships and career and technical high schools.
- 6. **Reform the criminal justice system.** Sentencing reforms could help Massachusetts reduce inequality, reunite families, promote public safety, and save money for other programs. Decriminalizing and taxing marijuana could also reduce incarceration.
- 7. **Streamline benefit applications.** Many residents do not know about their eligibility for public benefits, social services, and housing assistance. To help, Massachusetts could streamline application processes, provide access online, and fund more and better-trained caseworkers, including some based in schools.

Reforms in Taxes

- 8. **Fund government in a way that reduces inequality.** By taxing low-income families at higher rates, the Commonwealth's current revenue structure makes economic inequality worse and exacerbates need for government programs. Increasing taxes on capital gains, corporate profits, and large estates and reducing tax loopholes that benefit the wealthy could reduce financial burdens on low- and middle-income families.
- 9. **Embrace fair but politically viable tax solutions.** A graduated income tax, where people pay higher taxes if they earn more, could reduce inequality. But this approach requires a five-year battle for a constitutional amendment and several campaigns have failed in the past. Another way to generate state funds while not burdening low- and middle-class families would involve a statewide property tax on very expensive homes. This tax would be imposed on the amount of a home's assessed value above a certain point for example on home values exceeding double the current median home price in the state.
- 10. **Connect taxes to investments.** Taxes earn more public support when the revenues raised are committed to popular purposes such as "a tax on mansions to fund early childhood education and improvements in public transportation."

Encouraging Worker and Citizen Empowerment

- 11. **Support unions.** In regions where labor unions are strong, most workers enjoy <u>higher wages</u> and better benefits. State laws can support existing unions and encourage further unionization, for example for as many public employees as possible. They can take steps to facilitate other kinds of collective bargaining by worker groups.
- 12. **Boost turnout.** To reduce class bias in voter participation, Massachusetts can <u>enact Election</u> <u>Day registration</u> and move municipal elections to the same November days in even years as federal elections, when turnout is higher and more representative.
- 13. **Encourage working class candidates.** <u>Grassroots civic groups</u> should encourage candidates from working class and white-collar occupations to run for office, because research shows that such candidates are more likely to speak for broad public concerns.

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