

its lottery than by taxing corporations during the biennial of 2013-2015, according to the OCPP. Professor Aaron Gullickson from the UO Department of Sociology calls the lottery the “most regressive tax system” because the people who buy lottery tickets are mostly in the low-income brackets, while the people who benefit from lotteries are generally in higher-income brackets. Gullickson calls the lottery the “Hail Mary” of the poor.

In 2010, Oregonians voted yes on Measure 66, increasing taxes to 11 percent for individuals who had an income of greater than \$250,000 a year. In 2012, the Oregon legislature allowed Measure 66 to expire and the highest tax bracket was eliminated and the next highest tax bracket was reduced from 10.8 percent to 9.9 according to the Department of Revenue’s Oregon Personal Income Tax Statistics. So someone who makes \$4 million per year will be taxed the same rate as someone who makes \$130,000 per year.

It wasn’t always like this, Ordóñez says. “In broad terms we need policies to make sure prosperity is broadly shared,” Ordóñez says. “Looking back at what we did before as a nation gives us a clue as to what we can do now to be more inclusive than we were back then.”

The more tax cuts the wealthy receive, the more income inequality there will be, according to a report by the nonpartisan Congressional Research Service, which shows that “as the top tax rates are reduced, the share of income accruing to the top of the income distribution increases — that is, income disparities increase.”

Some, like John A. Charles Jr., president and CEO of the Cascade Policy Institute, a libertarian think tank, say that income inequality is something that shouldn’t bother people. “It’s not a real issue,” Charles says. “It’s a perceived issue by some people.” He adds that income inequality is a “natural outcome by a free society.”

Charles’ assertions do not line up with reports from the Congressional Research Service, which found that “large income and class disparities adversely affect health and economic well-being.” While health concerns are a byproduct of income inequality, income inequality itself could partially be a byproduct of the loss of middle-class jobs.

The Oregon Employment Department found that roughly 3,600 middle-class manufacturing jobs were lost and replaced with both high-income and low-income jobs in Lane County during the Great Recession. Rooney says that county government lost 2,100 jobs between 2010 and 2013, and education lost 1,100 jobs between 2009 and 2013. Although he says the losses seem to have stopped, the Lane County unemployment rate is hovering at 6.8 percent.

As a result Eugene saw a 10 percent increase in the Gini Coefficient — the measurement used to illustrate inequality. According to Bloomberg, Eugene had a 6.8 percent increase in terms of people living below the poverty line starting in 2008. Now the poverty rate in Eugene is 27.6 percent without counting the unhoused population.

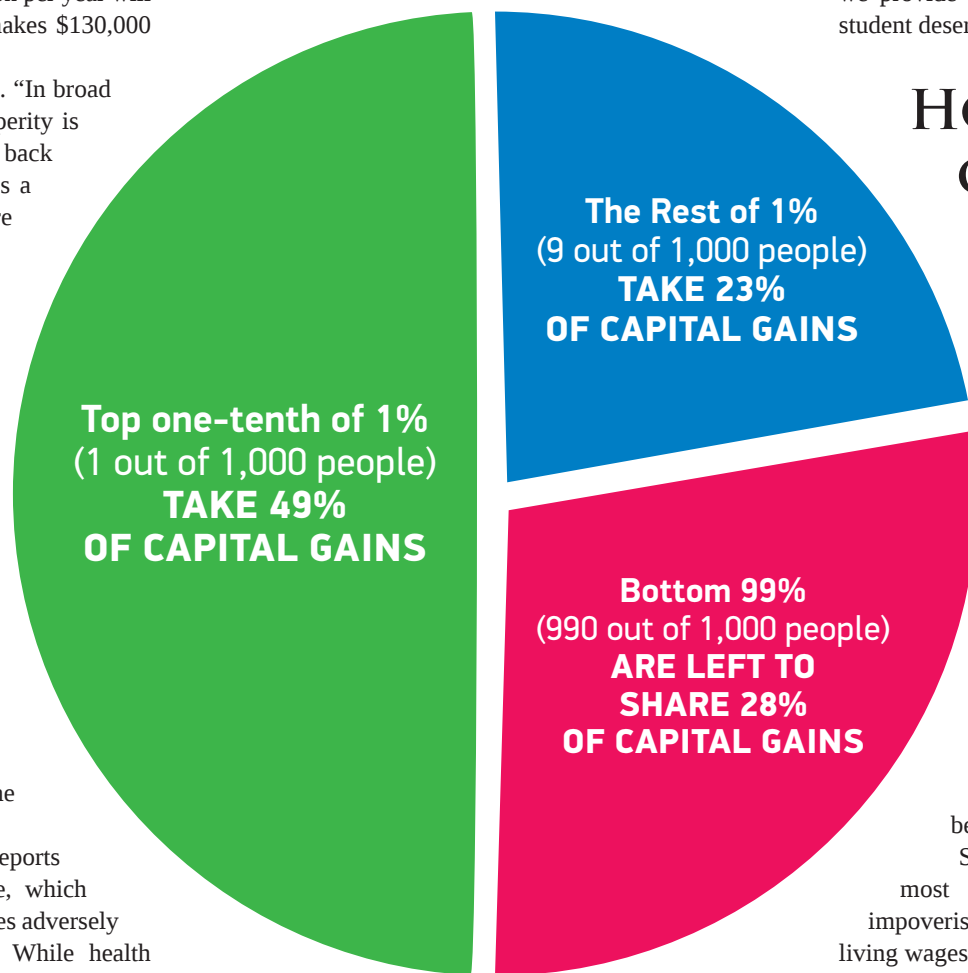
Thanks to the loss of middle-class jobs in the area, Eugene’s unemployment rate was slightly higher than the Oregon average at the peak of the recession. Oregon had a peak unemployment rate of 11.6 percent while Eugene’s was 12.8 percent.

Even for the employed, the high unemployment rates could have a negative effect: A lack of wage growth is directly linked to high unemployment, and there doesn’t seem to be any growth in the average wage in Oregon since before the recession, says Nick Beleicicks from the Oregon Employment Department.

THE SCHOOL DEFICIT

By the time the babies born in Oregon in 2014 attend school at the ripe age of 5, about 48 percent of them will qualify for free and reduced lunches, says

CUTTING TAXES ON CAPITAL GAINS INCOME* WOULD MAINLY BE A TAX CUT FOR OREGON’S VERY RICH



*Capital gains income is generated from the profitable sale of assets such as stocks, bonds and real estate.

Source: OCPP analysis of Oregon Department of Revenue data for tax year 2012. *Economic Gains Flow to the Top as Oregon Income Inequality Soars*, Oregon Center for Public Policy, April 30, 2014.

Hanna Vaandering, president of the Oregon Education Association (OEA). She says there is a 23 percent poverty rate for students in Oregon. The most telling factor of student success is their families’ socio-economic status. In other words, those born into poverty are more likely to be impoverished later in life themselves.

Vaandering says that we’re serving our advantaged children well, but we’re not addressing the issue of poverty. “Education is the cornerstone of democracy,” Vaandering says. “It allows a path for everyone to pursue the American dream.”

In Lane County, Joe Kosewic, a retired public employee from Ohio, crunches numbers into maps to illustrate statistics in order to make the issue of poverty clearer to folks. Kosewic’s maps show that 9,487 students live in poverty in Lane County. And more than 80,000 people in Lane County were on food stamps as of May 2013.

Schools get their funding from income and property tax. With the passing of Measure 5 in 1990, property tax was changed so that \$5 out of every \$1,000 of assessed property value went to education, says Bob Estabrook of the Department of Revenue.

Add that to the tax cuts on income tax, Vaandering says, and funding for education is decreasing. For example, from fiscal years 2008 to 2014, Oregon has dropped its funding for K-12 education by 3.1 percent, according to the Center on Budget and Policy Priorities.

The Quality Education Commission says Oregon schools would need \$2.4 billion added to their current budget in order to achieve the state’s education goals. If corporations were taxed the same amount that they were in 1973-1975, the amount of additional funds that would partially go toward schools would be \$2.1 billion, according to the OCPP.

“We’re not holding corporations accountable to pay their fair share because they say they’re the job creators. Therefore if they’re not paying their fair share, how do we provide the quality learning environment that every student deserves?” Vaandering asks.

HOW GREEN IS OUR VALLEY?

For many workers, joining a union is a good way to ensure benefits, job security and a living wage. Since the late 1970s, however, there has been a dramatic decrease in workers represented by unions, which directly coincides with the striking increase in income inequality, according to a report done by the Economic Policy Institute.

The OEA, a union that represents over 45,000 educators, shares a goal with the Service Employees International Union (SEIU): getting the wealthiest Oregonians and corporations to pay more of their share of taxes. “If we can’t eradicate [income inequality] then we can certainly make it far better than it is today,” SEIU Local 503 President Heather Conroy says. “We have to be able to take action to effect change.”

SEIU prides itself on organizing those most affected by income inequality, including impoverished women. The union provides them with living wages as well as voter registration in order to make sure their voices are heard.

On July 28, the Eugene City Council voted to provide paid sick days to all Eugeneans. Laurie Treiger, the campaign manager for Everybody Benefits Eugene, says that her fight won’t stop income inequality from happening, but it is a push in the right direction.

“Lower-income folks are already starting at such a disadvantage,” Treiger says. “It’s like you’re looking at a race and lower-income folks are starting 100 yards behind the middle- and upper-income folk. At least now if we give them paid sick days we are not giving them a sprained ankle on top of that.”

As Gullickson points out, the most effective way to end income inequality is to implement a more progressive tax system; however, in the fight against income inequality, even something as simple as giving paid sick time to Eugene workers is highly contested. In mid-July the county commissioners passed three ordinances to fight Eugene’s paid sick days ordinance.

While unions, educators and workers’ rights advocates fight the battle against income inequality, Tonya Bunning is simply happy to have found First Place Family Center. “I’m just thankful this place is here because right now I don’t have the ability to feed my kids or take showers or wash our clothes,” Bunning says. “So, at the very least I can make sure they eat breakfast, lunch and dinner.”

Currently, Bunning is looking for a job. “My kids mean everything in the world to me, and I would do anything to provide for them and make sure they’re taken care of,” Bunning says.

The biggest fight for a more progressive tax system, Ordóñez says, would have to come at the federal level. But, he says Oregon should “do no harm” and stop giving tax cuts to the wealthiest Oregonians and corporations. ■