



PRESS RELEASE

August 13, 2009

FOR IMMEDIATE RELEASE

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Fact Sheet Lays Out Options for Dealing with Revenue Shortfall

ALBUQUERQUE—In dealing with the expected revenue shortfall, New Mexico lawmakers have a clear choice: they can preserve education, health care and public safety or they can preserve tax cuts for the wealthiest New Mexicans and loopholes for out-of-state corporations. That's the scenario laid out in a fact sheet released today by New Mexico Voices for Children.

The fact sheet explains several ways the state can raise up to \$500 million - or enough to keep current funding intact for education and other public programs - without significantly impacting average working New Mexicans.

The fact sheet also underlines why budget cuts during a recession are more damaging to the economy - and people - than targeted tax increases on the highest income earners. Every dollar in government spending returns an average of \$1.58 in economic activity, and that money goes straight into the local economy.

"By not considering raising revenue, New Mexico is going to fall further behind the rest of the county economically," said Gerry Bradley, Research Director for the child advocacy organization. "This unbalanced approach of strictly cutting spending will slow down New Mexico's economic recovery and hurt people. We need to follow the lead of the 30 other states that have raised new revenue as part of their approach to covering their budget gaps."

The potential revenue generator that has gained the most attention of late is a partial rollback of the 2003 personal income tax cuts for the highest income earners. New Mexicans making \$295,000 and up received a tax break of more than \$13,000, while those earning less than \$29,000 received nothing. Budget cuts will have the greatest negative impact on the lowest income earners.

"Our lowest paid people are being asked, essentially, to make the largest sacrifice, while those who could most afford to sacrifice aren't being asked to give up anything," said Bradley.

The fact sheet is attached separately as a pdf and is also available online at www.nmvoices.org.

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New Mexico Voices for Children is a nonpartisan, nonprofit organization advocating for policies to improve the health and well-being of New Mexico's children, families and communities.

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