

To: Raise Up Massachusetts and MTA
From: Echo Cove Research & Consulting
Date: August 31, 2020
Re: Voter Study – Taxes & Spending

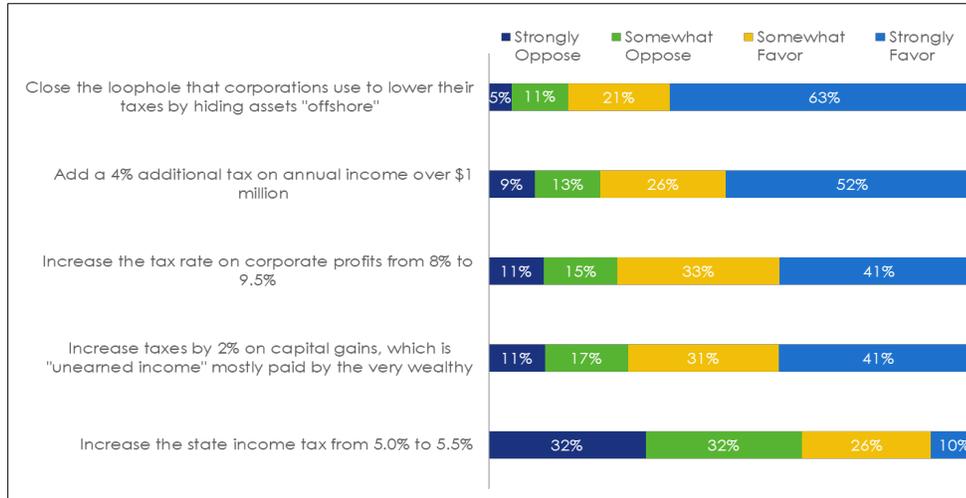
This memorandum presents findings from a survey of 600 Massachusetts voters conducted for the Massachusetts Teachers Association. Respondents completed the questionnaire online between July 24 and July 29, 2020. The sample reflects the demographic profile of voters, and therefore the findings can be extrapolated to all of the voters in the state with a maximum margin of error of +/- 4%.

The findings in this memorandum cover voters' attitudes toward state taxes and state spending in light of the coronavirus crisis. These issues were covered as part of a poll largely focusing on public schools and education, subjects on which the [findings](#) have been released previously.

Key Findings on Taxes and Spending

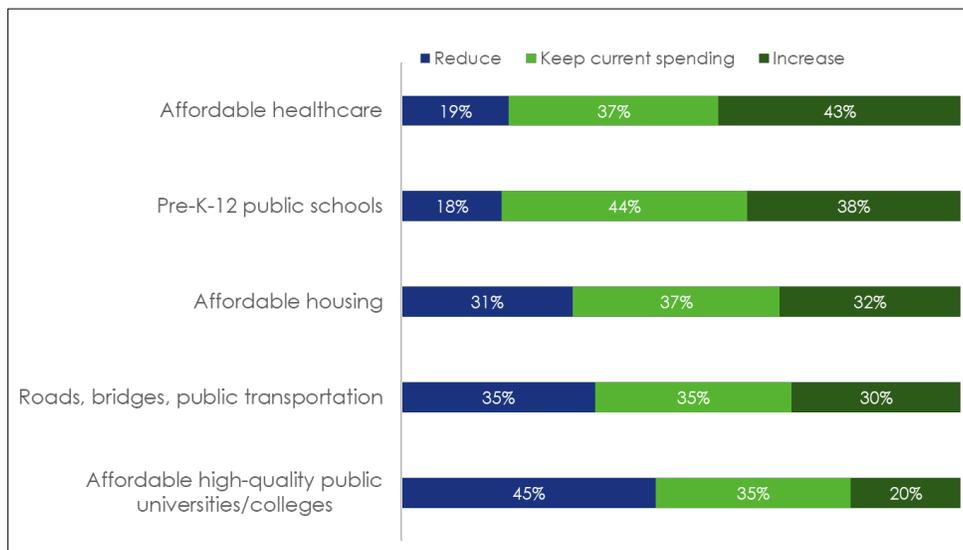
1. There has been much attention focused on the economic consequences of the pandemic in Massachusetts. At a personal level, many families have seen their financial situation suddenly at risk. At the state level, falling tax revenues are putting a strain on funding for essential services. In addition, there has been much public attention paid to the fact that the wealthy have not suffered to the same degree as lower-income households. Given this environment, it is not surprising that an overwhelming majority of voters support increasing state taxes on wealthy households and corporations and oppose a general increase in state income taxes.

- Almost eight out of every ten voters (78%) believe an additional 4% state income tax should be levied on the portion of annual income that exceeds \$1 million. That reflects the plan proposed in the Fair Share Amendment, which is before the Legislature and is likely to be on the statewide ballot in 2022. Seven out of every ten voters support increasing the capital gains tax by 2 percentage points.
 - Notably, support for increasing state income taxes on annual incomes over \$1 million is strong across all major income categories. For example, increasing the income tax on the wealthy has the support of 83% of those earning more than \$200,000 per year.
- More than eight in every ten voters (84%) support closing the loophole that enables corporations to slash their taxes by hiding assets offshore.
- More than seven in every ten voters (74%) also strongly support increasing the state tax rate on corporations from 8% to 9.5%.
- More than seven in every ten voters (72%) also support increasing “unearned income” taxes – taxes on capital gains from trades in stocks, bonds, and other valuable assets.



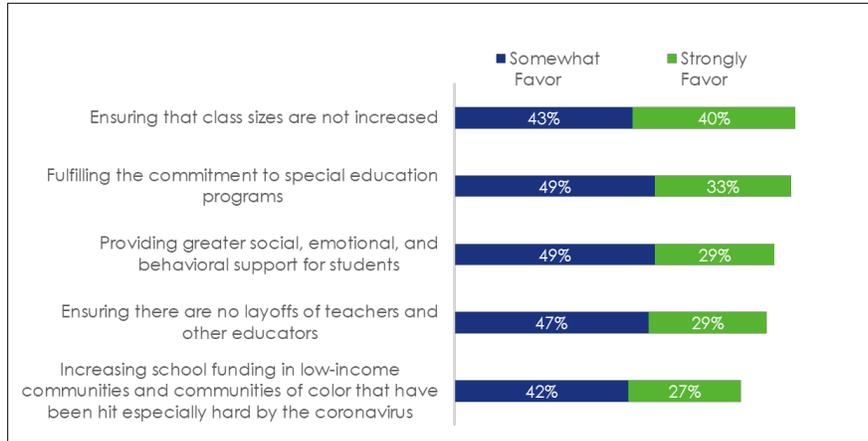
2. How should state funds be spent? Voters have firm ideas centering on education and affordable health care.

- About eight out of every ten voters support increasing or maintaining current state spending levels on preK–12 public schools (82%) and affordable health care (81%).
- More than half of all voters believe that funding for public colleges and universities should be maintained.
- While almost all voters have a personal interest in affordable health care, it is worth noting that the desire to at least maintain funding for preK-12 public schools is equally strong among both parents and non-parents.

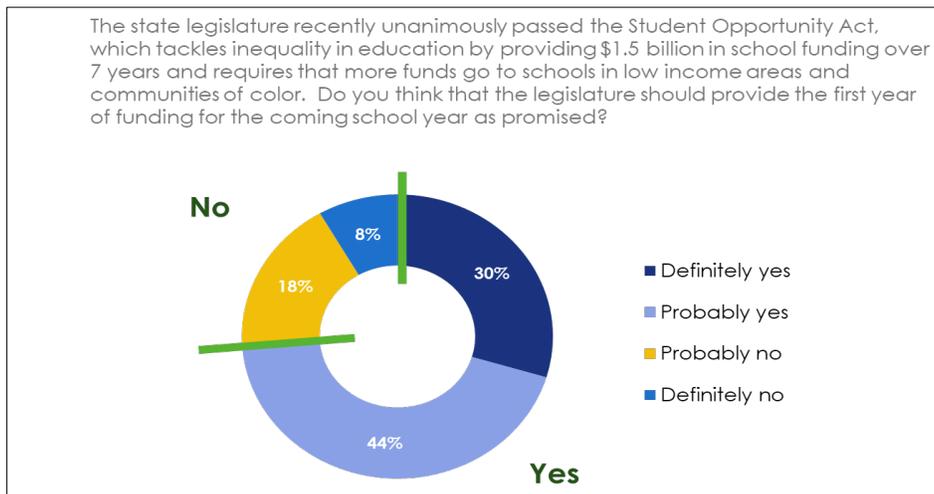


3. Voters have specific priorities when they consider how education funding should be spent in certain areas.

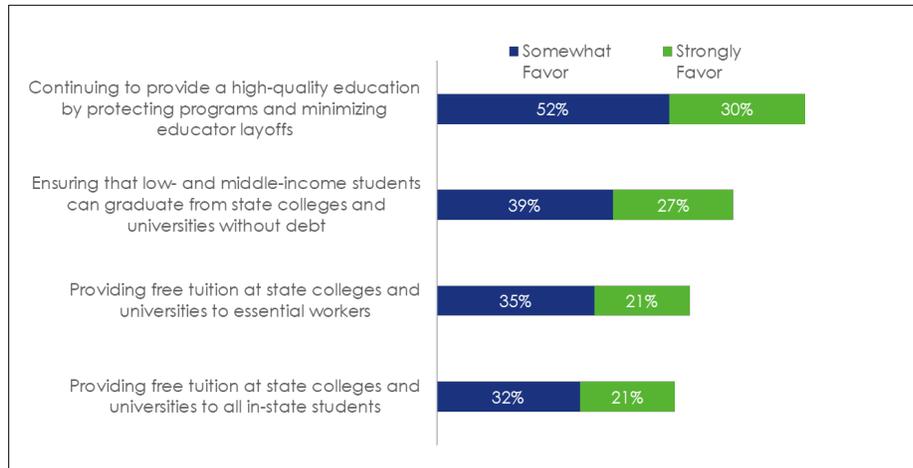
- More than eight out of every 10 voters believe that class sizes should not be increased (83%). Almost as many – more than seven in ten – believe there should be no layoffs of teachers and other educators (76%).



- Notably, voters strongly support implementing first-year funding for the *Student Opportunity Act* (74%).



- When considering funding for the state's public colleges and universities, voters' highest priority is continuing to provide a high-quality education by protecting programs and minimizing educator layoffs (supported by 82%).
- In the midst of this pandemic, two-thirds of all voters believe that low- and middle-income students deserve to be able to graduate from college without the burden of debt.



Conclusions

Despite the economic crisis and many voters' personal precarious financial situation, approximately eight out of every ten want to maintain or increase funding for affordable health care and public education. It is important to recognize that the desire to maintain investments in public education is held by parents and non-parents alike.

Voters also have strong feelings about how the state should raise revenue to cover these priorities: by increasing the state income tax on the portion of annual income that exceeds \$1 million, increasing the taxes paid by corporations (both by increasing the tax rate and closing the "offshore" loophole), and taxing the "unearned income" of capital gains held by wealthy investors.