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NOV 7 2002 2

Increased State Spending Increases Poverty New Study Also Finds No Relationship Between Immigration, Poverty

Austin - Some in Texas are asking that the legislature increase taxes to close an expected budget shortfall, suggesting the state even levy a "progressive" income tax to "help" the poor. However, a new study commissioned by the Texas Public Policy Foundation debunks those claims, finding that higher tax burdens are actually associated with greater poverty, reducing the ability of the poor to invest and save.

In the final installment of the six-part "Taxing Texans" series, economics professor Richard Vedder, Ph.D studied the relationship between poverty, taxes and state spending using a regression analysis of US Census records and other data. The full re-

port is available at www.tppf.org.

"The findings are strong and startling," writes Dr. Vedder, an internationally acclaimed economist formerly with the US Congress' Joint Economic Committee. "Higher tax burdens are associated with greater poverty. Big government that is tax-financed is more likely to add, rather than subtract, from poverty rolls."

Dr. Vedder notes these results merely reflect what has been widely acknowledged by economists around the world.

"Several decades of studies by economists confirm the proposition that the higher the level of taxation, the lower the rate of economic growth. A low rate of economic