



Income inequality is bad, but wealth inequality is worse. At a time when more than half of all Nevadans –1.5 million throughout our state according to a new report by CFED—are financially insecure, wealth inequality is skyrocketing and the racial wealth gap is growing. The wealthiest 0.1% now own about as much as the bottom 90% of Americans combined. This may seem like an issue that’s just so big that it’s unmanageable. But that’s not the case. Nevada has some homegrown ideas that have worked here and could work for the rest of the country.

We at Opportunity Alliance Nevada care about wealth because we know that wealth is nothing less than opportunity. Wealth is the down payment on your first home. It is having enough saved to send your kids to college without tapping out your retirement fund. At the most basic level, wealth is just having enough in the bank to weather a rainy day. A lot or a little, wealth is really just about opportunity—and more and more we know this it’s unfairly distributed.

We also know one of the driving forces behind this trend is the unfair, upside-down federal tax programs that help the wealthy add more wealth when they have already hit the jackpot a few times over. According to the Turn It Right Side Up Campaign, a typical millionaire in the top 0.1% gets tens of thousands of dollars every year from these lopsided tax programs. A typical working family gets little or nothing at all. In other words, our tax laws work for the wealthy and not for the working stiff.

We’re talking about hundreds of billions of federal dollars wasted on those who already have wealth and opportunity. These are tax programs that could be expanding financial security, boosting retirement security, or increasing homeownership and college savings for working class families.

Nevada has an innovative answer to that last one—college savings. College savings accounts are a great idea with a real measurable impact on college access and success. Low- and moderate-income students with even less than \$500 in an account are three times more likely to enroll in college and four times more likely to graduate. So it seems like a good idea that the federal government spent a couple billion dollars on tax programs last year to boost college savings, right? Well there’s just one problem: these federal tax programs gave almost all that support to upper income households. But Nevadans are trying to fix it.

Here’s what Nevada did: we started College Kickstart. Now every child entering public school kindergarten in the state gets a college savings account with a \$50 initial deposit. And every working family gets additional support to add their own savings. These accounts grow with accruing interest and deposits right up until the child is college ready. This is how we start reversing wealth inequality in this country.

This isn’t just pie in the sky thinking. A recent study found that a largescale, nationwide children’s savings program could reduce the racial wealth gap by as much as 50%! This would be an historic increase in opportunity. And if we accomplish this by turning those upside-down tax program right-side up, it would also mean an historic decrease in inequality. We’d stop actively making wealth inequality worse with these tax programs, and we’d start using them to expand opportunity instead. But Nevadans can’t do this on our own. The nationwide problems of growing inequality and stagnating opportunity demand nationwide solutions, but we can point the way though with our own homegrown successes. As presidential wannabees trot through our towns in the coming days, I hope they take a careful look at what we’ve accomplished here. I hope they tell us how they intend to supercharge College Kickstart and take it nationwide. I hope they’ll take a stand to turn these pro-inequality, anti-opportunity tax programs right-side up.

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