

Mississippi has Idaho to look down on

Marty Trillhaase/Lewiston Tribune

No matter how bad things got in Idaho, we always had one thing going for us.

It was worse in Mississippi.

Poverty?

Crummy economy?

Poorly funded schools?

At least Idaho wasn't dead last.

Close enough to be ranked the Mississippi of the West.

But not Mississippi outright.

Well, take another look, Idaho.

If the Magnolia State hasn't eclipsed us already, it's closing in fast.

Take schools for instance.

At the close of the last century, Idaho's comparatively low per pupil spending hovered near or above a cluster of states. Besides Mississippi, you had the usual suspects - Arkansas, Alabama, North Dakota, South Dakota, Tennessee and Utah.

Today there's only Utah separating Idaho from the bottom. The Beehive State is 7.1 percent behind Idaho.

Meanwhile, Mississippi went from spending 8.6 percent less than Idaho to 3.8 percent more.

Arkansas started out 5.7 percent behind Idaho. Now it's 17.8 percent ahead.

Alabama? It outspends Idaho by 23.5 percent.

North Dakota? Up by 28.1 percent.

South Dakota? It's ahead by 16.9 percent. Even lowly Tennessee outspends Idaho by 3.2 percent.

Consider wages.

Before the recession hit, Idaho's median earnings ranked it 43rd. Now it's dead last. Only nine states declined in median individual earnings - and none fell as far as Idaho.

That's quite a reversal. From 1986-2006, Idaho's workers were gaining on their fellow Americans. In 2006, Idaho incomes reached a peak of 83.5 percent of the national average.

Now it's down to 79.1 percent - which translates into a loss of \$1,813 for every man, woman and child in the state.

By 2006, Idaho's per capita earnings put it ahead of eight states.

Since then, Idaho has fallen behind all but Mississippi. Even there, the gap is narrowing. Six years ago, Mississippi's per capita income was 7.5 percent less than Idaho. Today, it's 2.1 percent behind.

This relative decline in fortunes has occurred despite assurances that as long as Idaho continued to prime the pump by cutting taxes on the well-to-do, the economy would prosper.

Three times in the last dozen years, GOP governors and lawmakers have whacked away at the income and property taxes corporations and wealthy families pay.

As a result, Idaho's relative tax burden has plummeted. In 2004, the State Tax Commission figured Idaho's per capita tax burden was 43rd. As of 2010, it was dead last - behind Mississippi (46th), Utah (47th), Tennessee (48th), South Carolina (49th) and Alabama (50th).

Far from stimulating Idaho's economy, this relentless round of tax cutting has undermined the ability of Idaho's parents to provide better education for their children. The share of Idaho's personal income devoted to schools is down 25 percent from its traditional levels.

Cuts in higher education budgets have triggered double-digit increases in college tuition - pricing education out of reach in a state where only one in four adults has a four-year degree.

Hence you have the vicious cycle of poorly trained workers chasing low-wage jobs in a low-service state.

And here comes another installment. Backed by Gov. C.L. (Butch) Otter, the Idaho Association of Commerce and Industry wants to repeal the personal property tax businesses pay on equipment. If that happens, a handful of rich corporations will divvy up about \$140 million in money from local and/or state coffers - while everyone else either shells out more or puts up with diminished services.

For a time, this tactic of each state handing out tax breaks in the name of economic development was called the "race to the bottom."

Guess what?

Idaho won the race. - M.T.