

A Declaration of Financial Independence

In 1773, American patriots dressed as Indians dumped a boatload of tea in Boston harbor. The objective of this open act of defiance was to secure financial independence for Americans. The rallying cry was: "No taxation without representation."

Two centuries later, Americans have more taxation and less independence, as the government that represents us takes an ever-expanding role in our daily lives. As a nation, we have achieved unprecedented prosperity, but as individuals we have come to have less and less control of our destiny.

After a steady rise to greatness, our country faces decline due to creeping bureaucracy. Most of the social welfare programs created by the federal government to help less fortunate Americans rise above their circumstances have failed, succeeding only in draining wealth and stifling initiative.

AMERICANS KNOW BETTER HOW TO SPEND THEIR MONEY THAN GOVERNMENT DOES

The middle class is in desperate need of meaningful tax relief. About 720 billion of our hard-earned dollars go to taxes that support a web of inefficient and wasteful social welfare and entitlement programs. The Institute for SocioEconomic Studies (ISES) has developed a bold plan that would dismantle most of these programs and return the money

to all Americans as a National Tax Rebate. Each adult would receive \$4,000 a year and each child \$2,000. A typical family of four would receive \$1,000 a month—\$12,000 of additional income each year—to spend on their own needs without restrictions or penalties.

Americans would benefit from the National Tax Rebate, according to an economic analysis conducted jointly by researchers at ISES and the Columbia University School of Social Work. The Rebate could be implemented without raising taxes or spending the budget surplus. We could continue to pay down our national debt, and there would be no change to Social Security, Medicare, or Medicaid.

The Rebate will turn a minimum wage into a living wage, enabling families to make ends meet. It will help Americans send children to college, save for retirement, finance the purchase of a home, reduce tax obligations, save the family farm, and more. After all, our most cherished goals and aspirations are personal and individual, and may not readily conform to a one-size-fits-all government formula.

We face a serious choice at this time—either we continue to allow the government to inhibit our economic freedom, or we "dump some tea" and reclaim what is ours.

The National Tax Rebate is an idea whose time has come. It's a declaration of financial independence.

All it takes is political courage and a willingness to accept new ideas.



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The Institute for SocioEconomic Studies is a private operating foundation that examines issues relating to economic development, poverty, health care reform, and the quality of life.