



For Immediate Release
October 6, 2015

Contact: Michael Shalley, Member Services Director
517-679-6403, mshalley@michigancommunityaction.org

Business community has stake in poverty program cuts, investments

Michigan employers struggling to hire qualified workers will see the challenge worsen if investments in human needs programs decline, predicts the state association working to alleviate poverty in Michigan.

“Nearly a quarter of our next generation of employees is at risk of being unemployable,” says **Kate White**, executive director of Michigan Community Action, “because they are growing up lacking food, safe housing and other resources essential to becoming educated, productive workers of the future. The latest report from the US Census Bureau says 22.6 percent of Michigan children are living in poverty. Congress needs to end harmful sequestration caps and invest in human needs programs.”

Although poverty across the state dropped a miniscule .8 percent (from 17 percent in 2013 to 16.2 percent in 2014), Michigan children’s economic security is threatened by cuts to programs such as the Earned Income Tax Credit (EITC), the Child Tax Credit (CTC), subsidized housing and the Supplemental Nutrition Assistance program (SNAP).

“When we invest in programs that foster self-sufficiency and lead people toward education and employment, we help create a valuable future workforce and help end multi-generational poverty,” explains White. “In Michigan, the sequestration caps are hitting the most vulnerable segment of the population the hardest, and there is a serious ripple effect to our economy that needs to be recognized.”

MCA and its network of 29 community action agencies worry that if Congress does not act, funding cuts scheduled to take effect this fall will exacerbate specific Michigan's challenges.

"The EITC and CTC lifted 230,000 Michiganders, including 119,000 children, out of poverty each year, on average, during 2011 to 2013ⁱ," White explains. "Michigan needs the federal EITC and CTC to continue to reward work and reduce the tax burden on the working poor. Beyond EITC and CTC, fewer children will be able to participate in Head Start, compared to that proposed in President Obama's budget. Research confirms that Head Start helps prepare children from low-income families for success in school and life. Cuts would be a major step backward and could negatively impact Michigan's progress in blending Head Start with state funding for the Great Start Readiness Program (aka GSRP). Congress's plan derails important housing, employment and other proven anti-poverty programs that would jeopardize the stability of our low-income neighbors. Members of Congress should stop the sequestration cuts and instead expand programs that prevent and eliminate poverty in Michigan."

Founded in 1975, Michigan Community Action serves its 29 member agencies throughout Michigan by strengthening their capacity to alleviate the causes and circumstances of poverty in all 83 counties.

ⁱ <http://www.cbpp.org/research/state-fact-sheets-the-earned-income-and-child-tax-credits>