

## ***Boosting the EITC can help fill workforce gap***

*By Kate Birnbryer White, Executive Director*

As Michigan employers continue to struggle to find qualified workers in a tight labor market, lawmakers in Lansing have the power to provide at least partial relief.

An increase to the Earned Income Tax Credit (EITC), which has historically enjoyed bipartisan support, would boost the labor force by helping thousands of Michigan families obtain employment and achieve self-sufficiency.

The EITC benefits working people with low to moderate incomes, particularly those who have children. Michigan slashed its credit in 2011 from 20 percent of the federal EITC to just 6 percent, hitting vulnerable families the hardest.

The state's economy is back on solid footing, but many families still face barriers that negatively affect access to employment, education and housing. As the Michigan Legislature crafts its next budget, it could take a strong bipartisan policy step that would help struggling families and add to the qualified workforce.

A boost in the EITC from 6 percent to 12 percent over two years would help Michigan residents better afford workforce training, transportation to jobs, housing and child care that would make it easier to juggle work and family life.

A return to at least 12 percent would give families below the poverty line much-needed resources to enter the workforce. For example, a struggling family could spend the credit they receive to repair a vehicle that then allows them to get to work or to school. Or it could help them afford specific training to become qualified to fill jobs or to move to safe, affordable housing near their employer or a new job opportunity. It might

also give them the means to pay for child care that allows parents to work outside the home.

Access to education and training is also critical. A staggering 9.7 percent of working-age Michigan adults do not complete a K-12 education. It is no longer possible to support a family with a high school diploma. Entry-level jobs are paying less than before, and more education is required to attain higher-earning positions. Today, the gap to move from poverty to self-sufficiency is bigger than ever, requiring an income that is 3 1/2 times the federal poverty level.

Furthermore, children who grow up in the bottom fifth of national family income are more likely to remain in poverty as adults. Breaking poverty cycles requires time and a whole-family approach. Head Start is the classic two-generational approach to solving poverty, and Community Action Agencies in Michigan are coupling Head Start with adult literacy and GED classes to help families succeed.

Given even a little support, people who want jobs can overcome the barriers that block them. As Community Action Agencies on the front lines of combating poverty, we urge Michigan lawmakers to prioritize budget items that will be a win-win for employers seeking reliable workers and people who want those jobs in order to be self-sufficient and support their families.

As lawmakers determine budget priorities, they should include solutions to poverty and policies that help families attain economic security. Supporting Gov. Whitmer's proposed EITC increase is a good start.

*Kate Birnbryer-White is executive director of Michigan Community Action, a statewide association of 28 Community Action Agencies addressing poverty in all 83 Michigan counties. Founded in 1975, MCA strengthens and inspires its agencies to champion solutions to poverty and to promote economic opportunity.*