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David Waymire

Martin Waymire

(517) 485-6600

dwaymire@martinwaymire.com

Michigan EITC coalition encourage lawmakers to avoid including credit in road funding debate

State EITC helps nearly 800,000 low income, working Michigan households, nearly 1 million children

Lansing, MI: A coalition of organizations supporting the state Earned Income Tax Credit today urged lawmakers to maintain support for the state EITC as a popular key tool for fighting poverty, particularly among children.

Some lawmakers have suggested using \$117 million that now is used for the EITC to pay for road projects in future years. "Academic research and survey data shows that is a very bad idea," said Gilda Jacobs, president and CEO of the Michigan League for Public Policy. "We know that a robust state EITC is a critical part of helping working families move up and out of poverty. We also know from recent polling that nearly 70 percent of Michigan voters oppose the idea of cutting the EITC and using it for roads."

Tom Hickson, vice president of public policy for the Michigan Catholic Conference, said his organization has been working to inform lawmakers of the value of the EITC. "We are among the many religious organizations who have said we need to have compassionate, effective policies to attack poverty. The state EITC is one of them," Hickson said. "It's a hand up that only goes to low-income families with income, and rewards hard work."

Matt Gillard, president and CEO of Michigan's Children, noted that nearly 1 million children are in families that benefit from the EITC. "Childhood poverty is an increasingly difficult issue in our state. If we want to ensure our youngest and most vulnerable population gets a good start in life, the EITC is an effective tool with a proven track record of helping children escape poverty," Gillard said.

Ross Yednock, program director with the Michigan Economic Impact Coalition at Community Economic Development Association of Michigan (CEDAM), noted that some lawmakers have suggested the \$143 average benefit from the EITC is too small to make a difference. "We know that is a car payment for many EITC recipients; it pays for 50 gallons of gas, or helps make a utility or property tax payment. It's important to those families in many ways," Yednock said.

Nancy Lindman, director of public policy and partnerships, Michigan Association of United Ways, said that lawmakers should realize the EITC is important to residents and businesses across Michigan. "From Detroit to Crawford County, many working families find the EITC a valuable bump in income at tax time and they spend their money close to home, helping local businesses. We talk to small businesses who recognize the value of the EITC when they see additional economic activity during income tax refund season."

More than 30 groups from across the state have signed on to support the state EITC and urge its continued support, including Focus: HOPE, Michigan Disability Rights Coalition, Genesee County Habitat for Humanity, Goodwill Industries of West Michigan and many United Ways across the state.

For more information visit www.saveeitc.com.