

Working Our Way Out of Poverty

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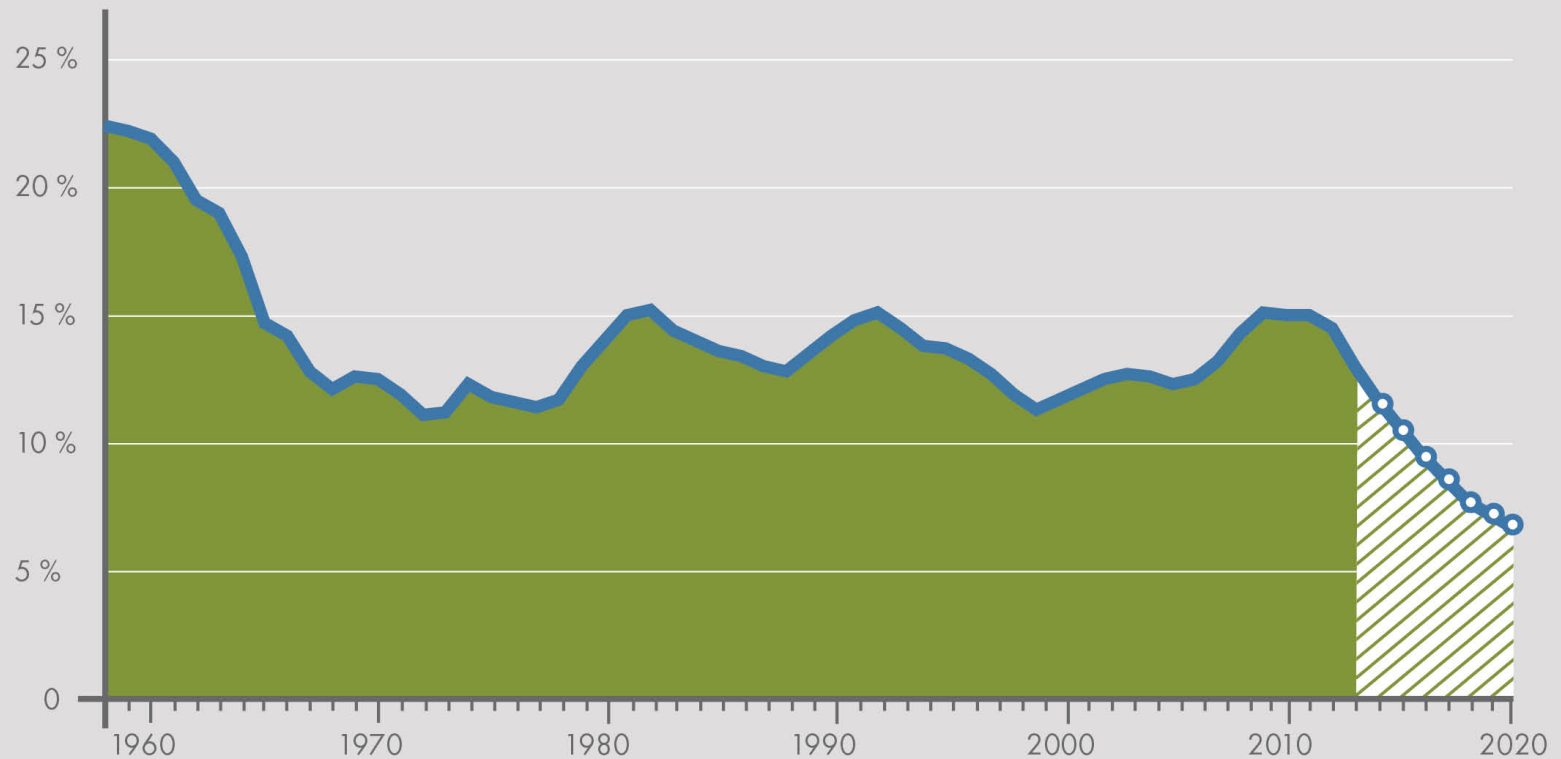


March 25, 2015



Historical Poverty Rate

Percent of U.S. Population in Poverty:
1959-2013 and Estimated if Policy Package is Adopted

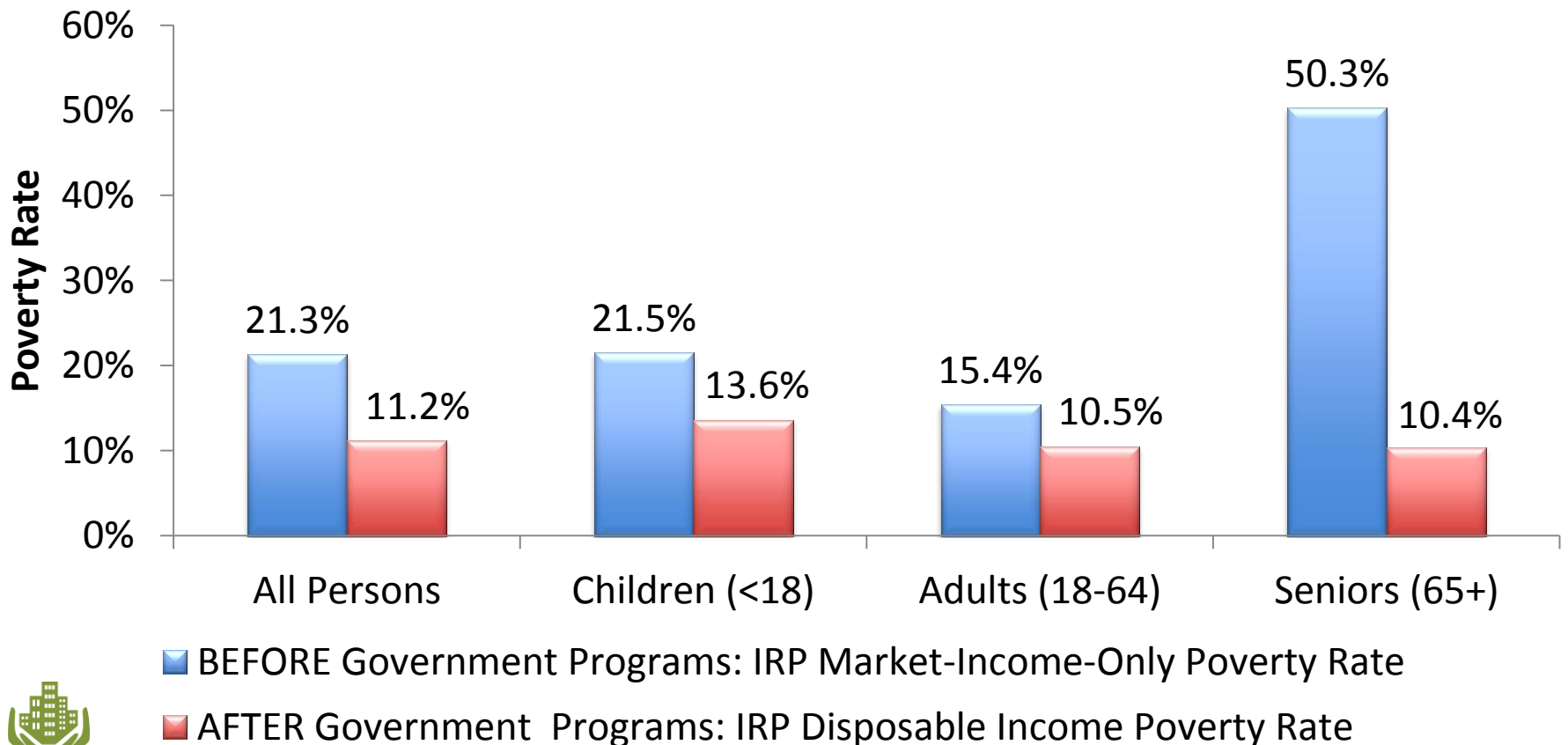


Source: Data from U.S. Census Bureau



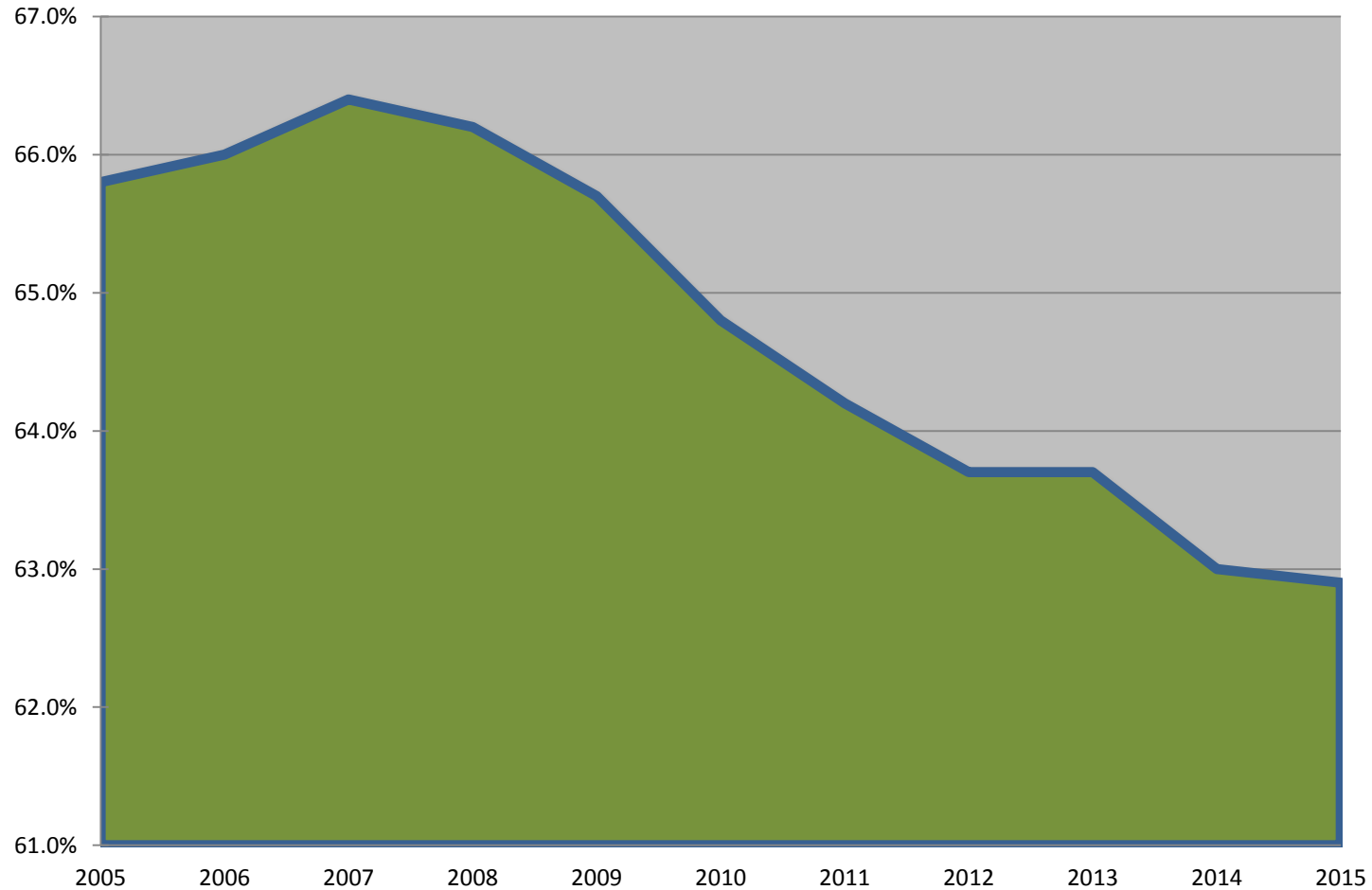
Government's Current Role

Poverty BEFORE and AFTER Government Economic Security Programs: All Poor Persons: Wisconsin in 2008



Big Remaining Problem: Job Shortage

Labor Force Participation Rate



Who is in Poverty?

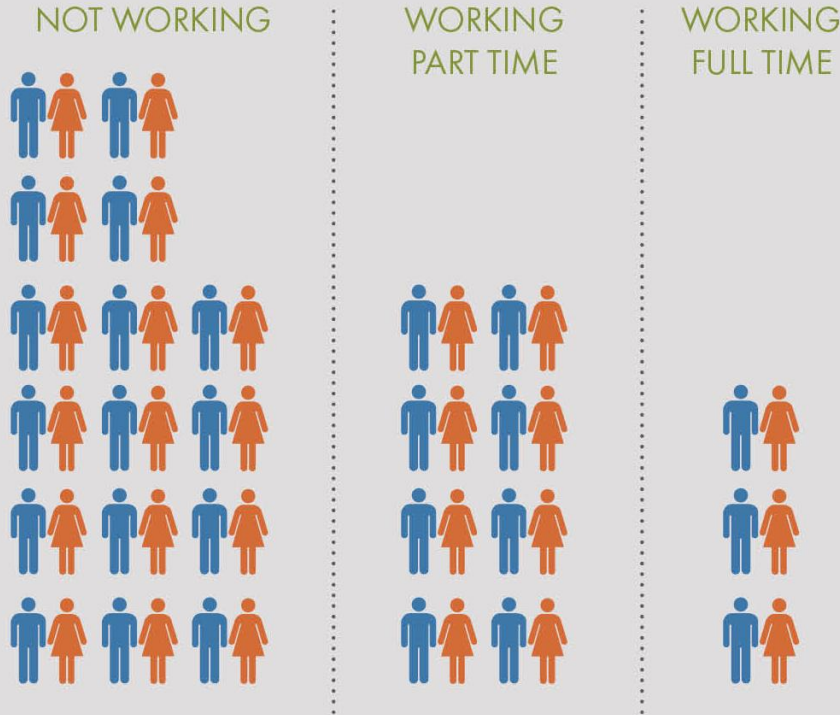
Structure of Adult Poverty in the U.S.
People living below the Federal Poverty Line 2013

 = 1 Million Poor Adults

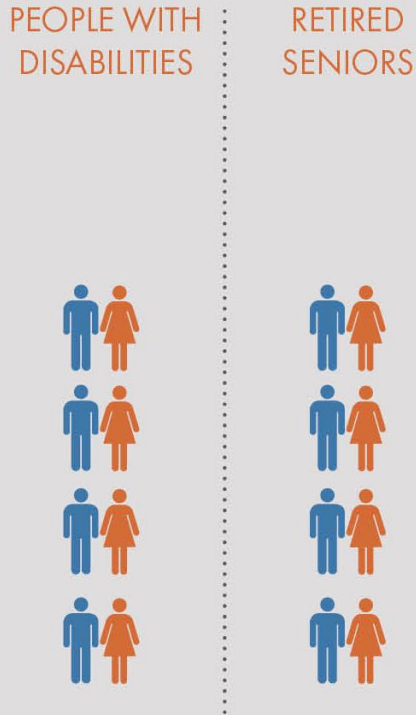
27 million adults

8 million adults

IN the Labor Market

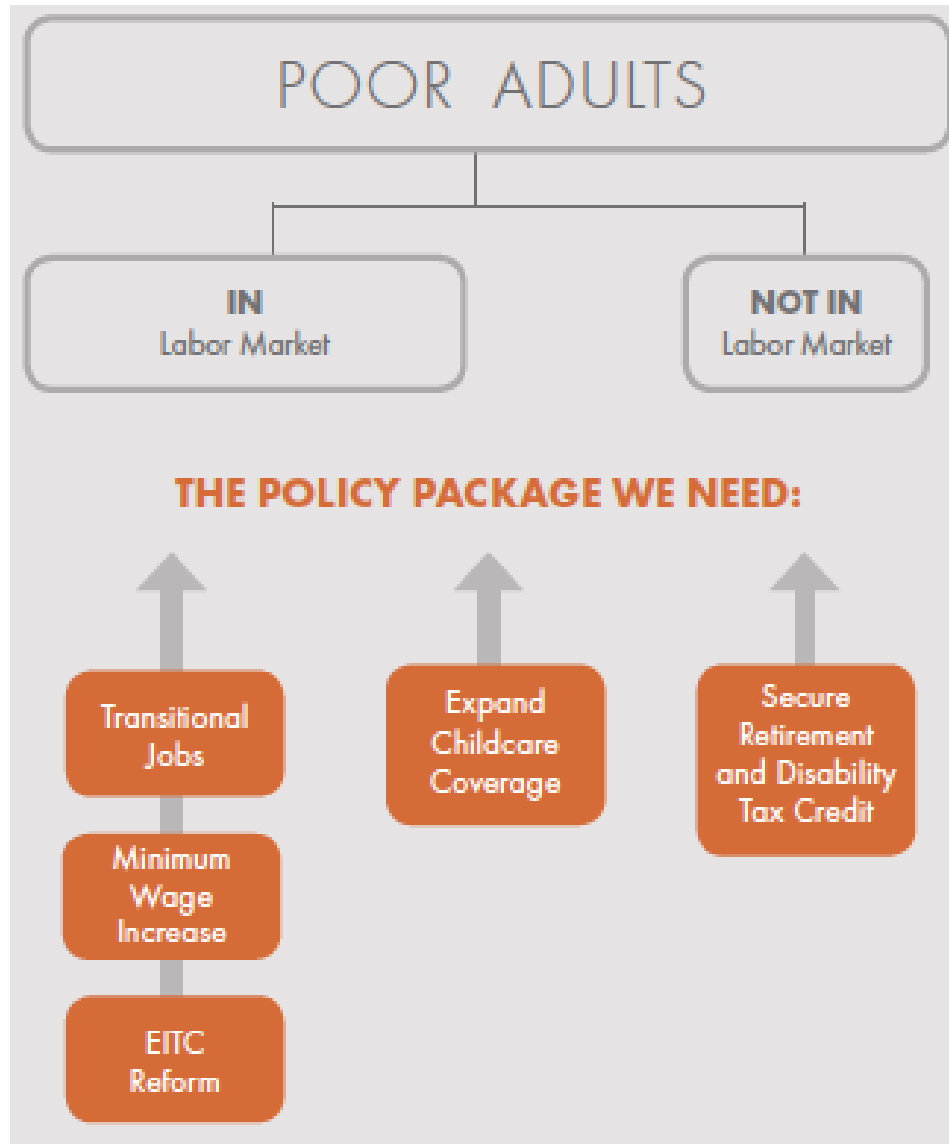


NOT IN the Labor Market



Source: Data from U.S. Census Bureau

A Five-Part “Policy Package” is Needed



Make Work Available

Policy 1: Create a Transitional Jobs Program:

- For unemployed & underemployed, ages 18-69
- Not incarcerated or receiving Social Security, SSDI, or SSI
- Opportunity to work in a minimum wage TJ, up to 30 weeks
- Min. 8 hours, max. 40 hours per week



Make Work Pay

Policy 2: Increase in the Minimum Wage:

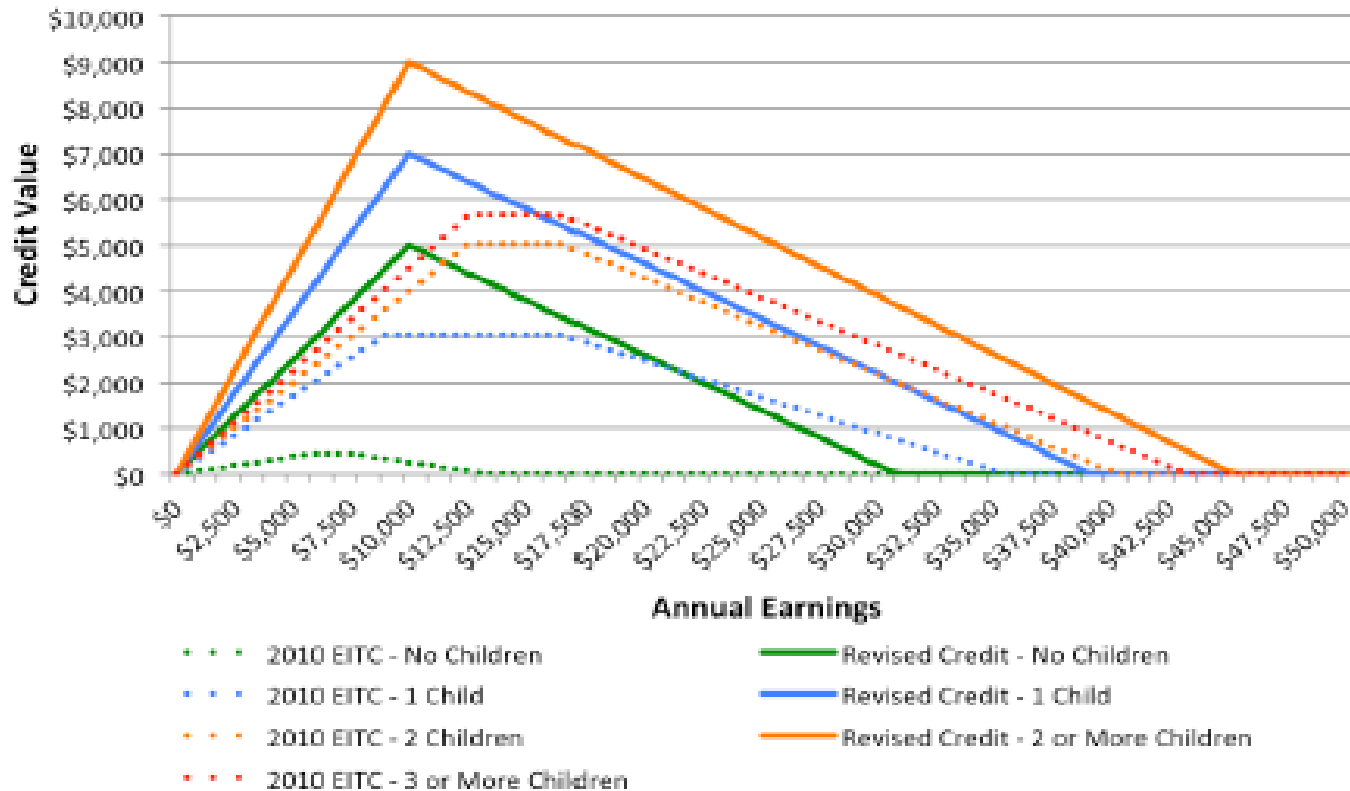
- Raise the minimum wage to \$10.10 per hour, indexed for inflation
- 39 percent increase



Make Work Pay Further

Policy 3: Reform the EITC

- \$4,000 increase
- Remove marriage penalty



Reduce Obstacles to Work

Policy 4: Strengthen Child Care Funding:

Guaranteed subsidized child care for every family below 150% of official poverty line



Help Retired Seniors and Adults with Disabilities

Policy 5: Secure Retirement and Disability Income Tax Credit:

Eligibility Criteria:

- Income from Social Security, SSDI, or SSI
- Age 18 or older, and not a dependent of another taxpayer

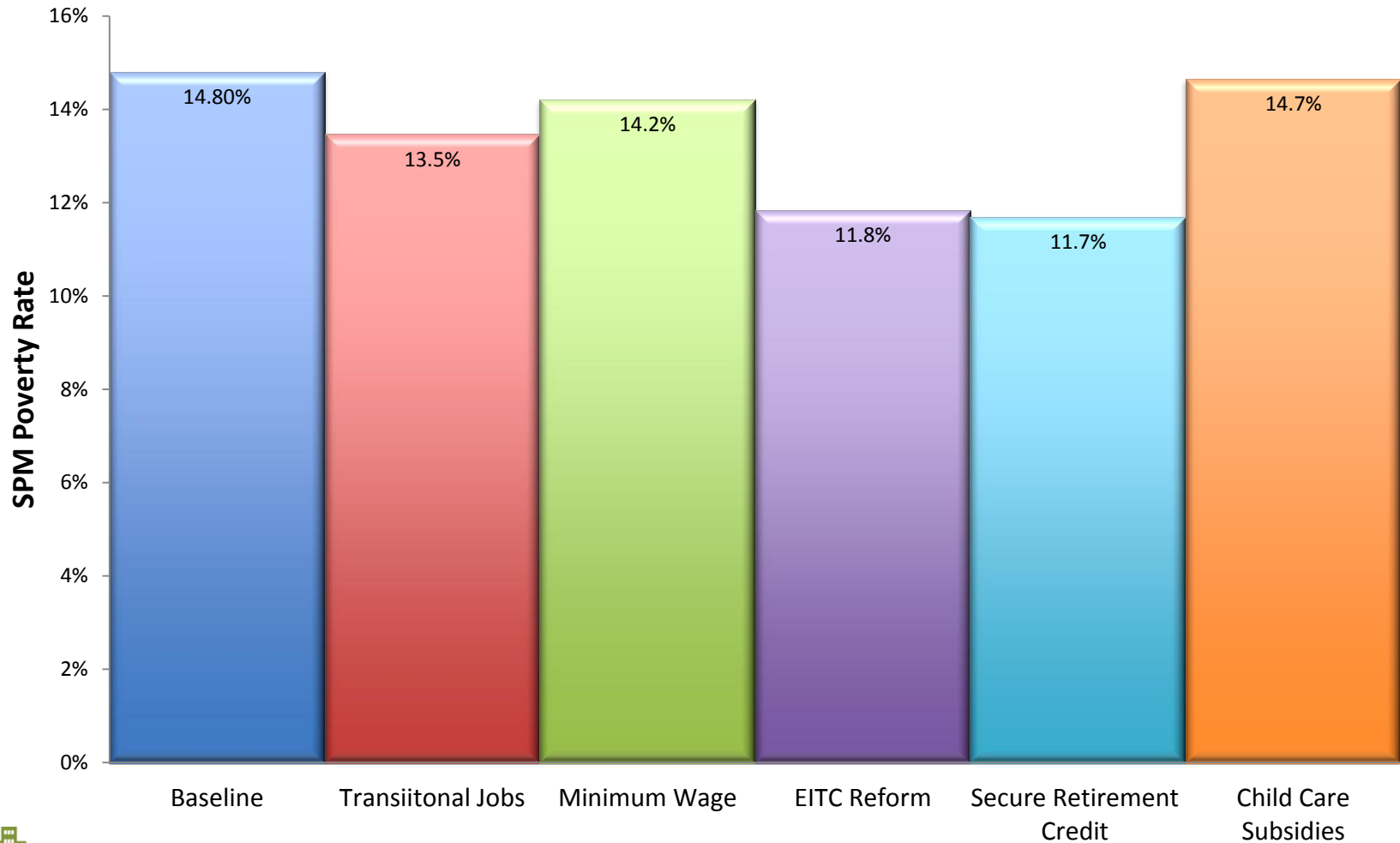
Credit:

Equals = 150% of official poverty line

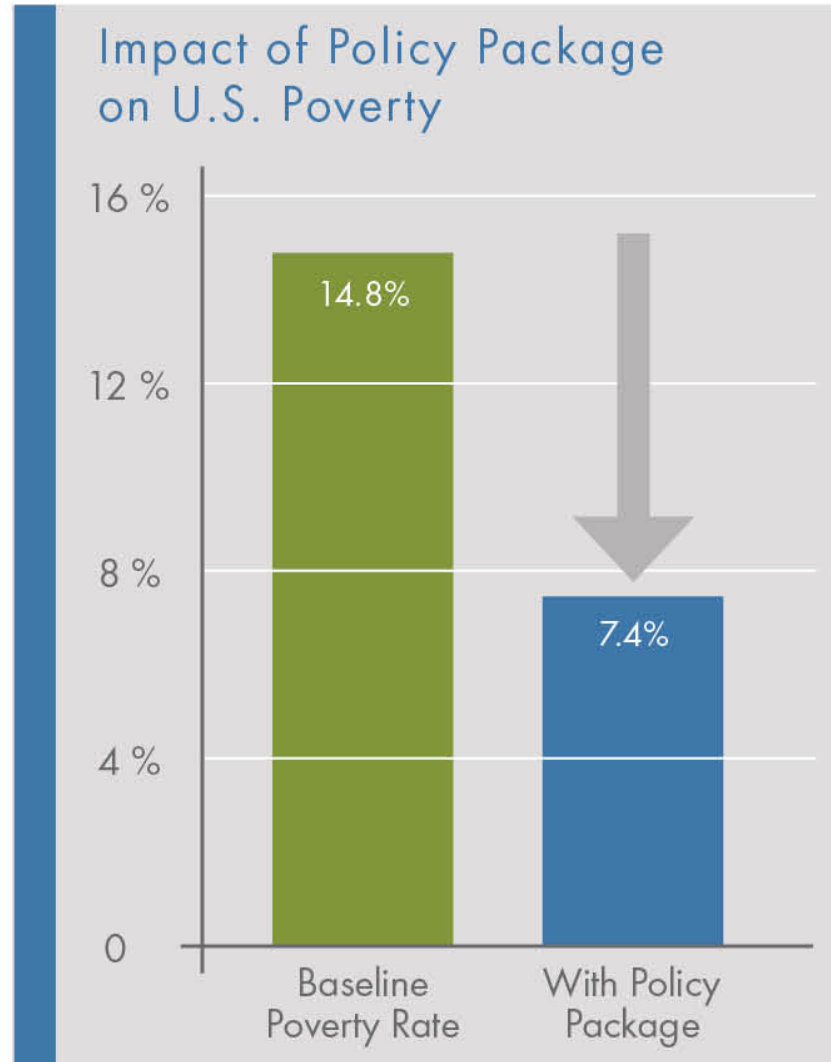
- Sum of Social Security + SSDI + SSI + SNAP + Federal AGI (if positive)



Stand-Alone Policies = Small Impact

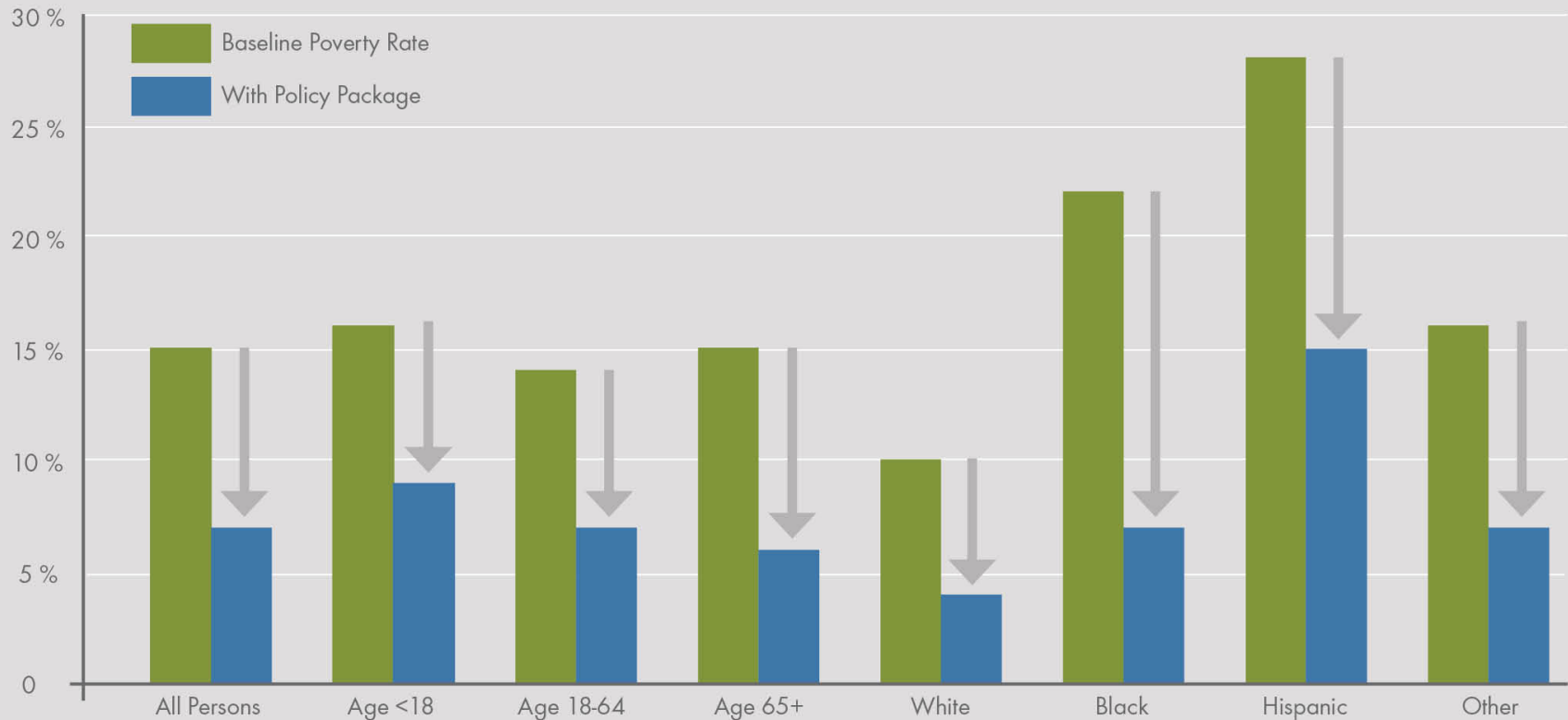


Impact of Policy Package: Poverty Reduced by 50% +



Impact of Policy Package by Age, Race & Ethnicity

Impact of Policy Package on U.S. Poverty



Other Packages, New Evidence

- Other packages have found similar results
- **Wisconsin** - Community Advocates Wisconsin Package 1.0
 - Wisconsin Only – **Poverty reduction of 58%**
- **New York City** – Federation of Protestant Welfare Agencies, Catholic Charities and United Jewish Appeal
 - New York City – **Poverty reduction of 54%**
- **United States** – Children’s Defense Fund
 - Nationwide families with children – **Poverty reduction of 60%**



Cost in Perspective (Percent of Other Spending)

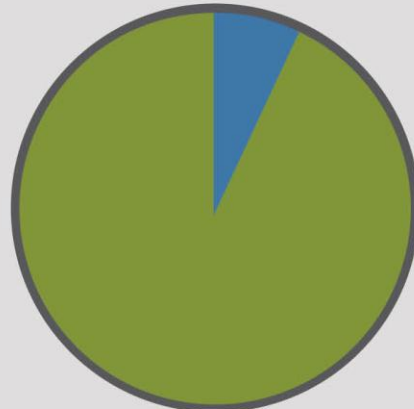
Cost of Policy Package Relative to GDP, National Income and Government Spending



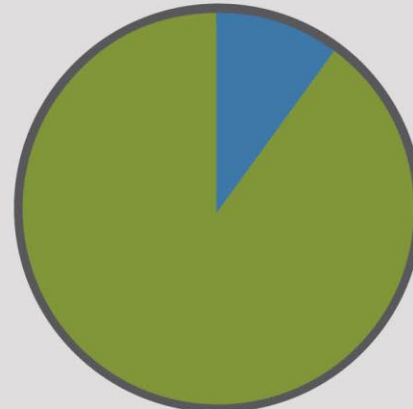
2% of U.S. GDP



3% of National Income



6% of All Government Spending



9% of Federal Spending

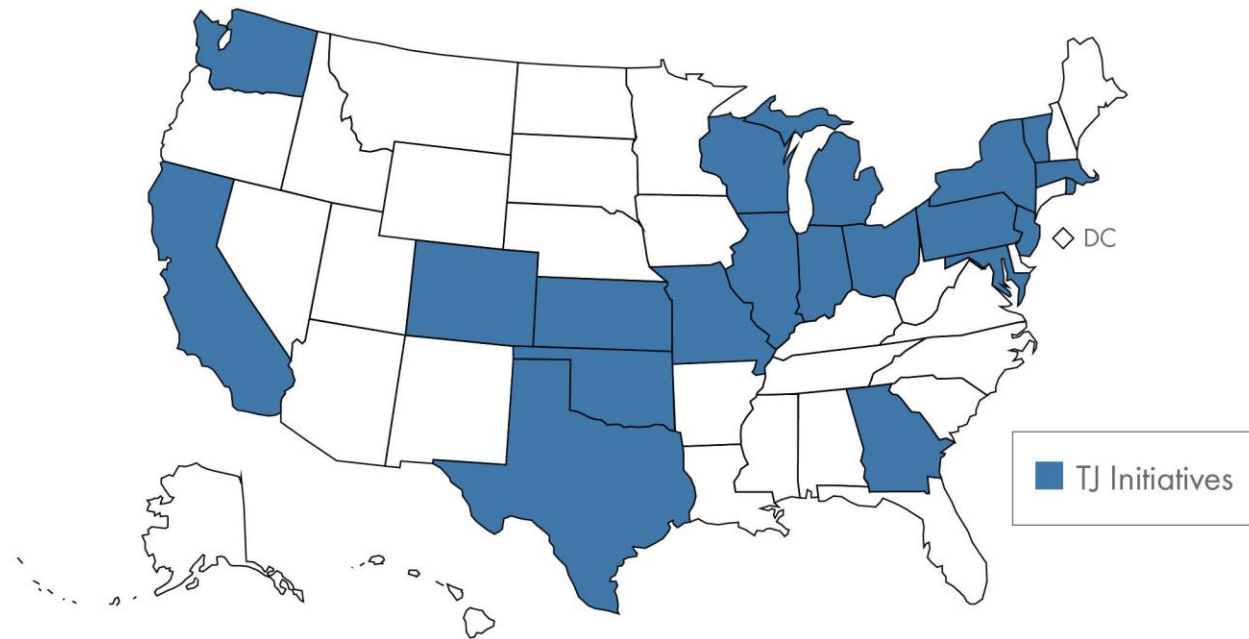


It Sounds Like a Good Idea... but Can it Happen?

Transitional Jobs:

- There are 22 states that have publicly or privately funded transitional jobs programs.

State Support of Transitional Jobs

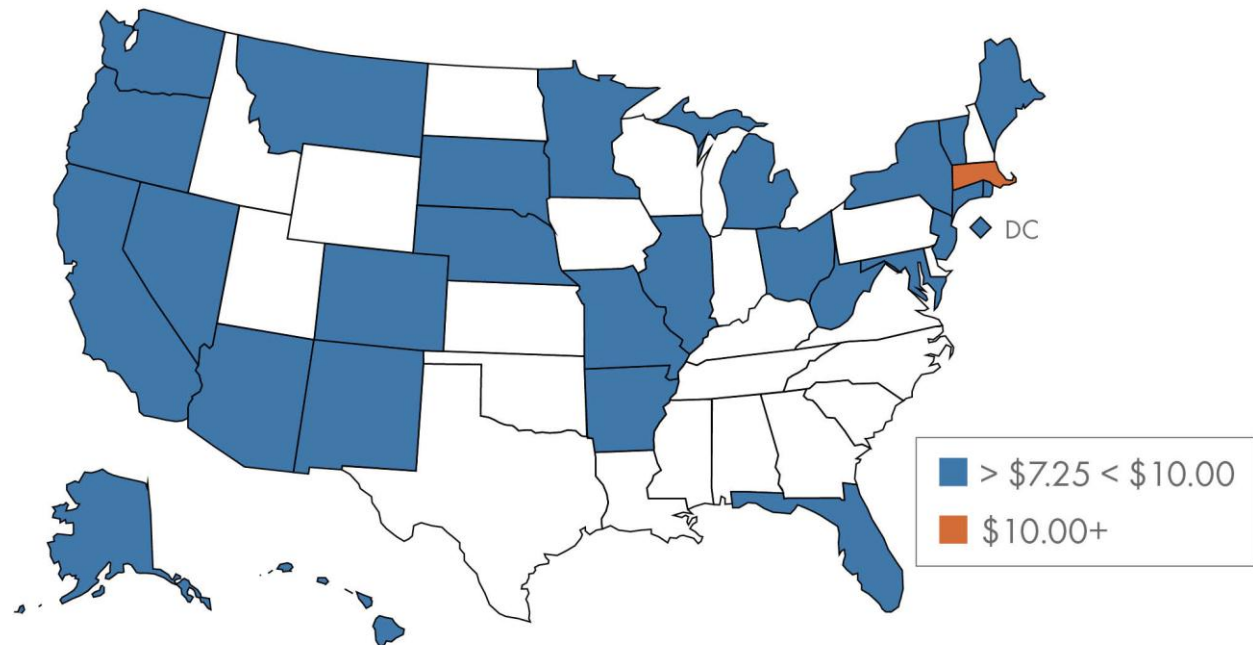


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Higher Minimum Wage:

- 27 states, plus the District of Columbia, have minimum wages higher than the federal level of \$7.25 per hour.
- 6 states will be at \$10 per hour or more by 2017.
- President Obama's current budget proposal calls for a federal minimum wage of \$10.10 per hour.

State Minimum Wages Greater than Federal

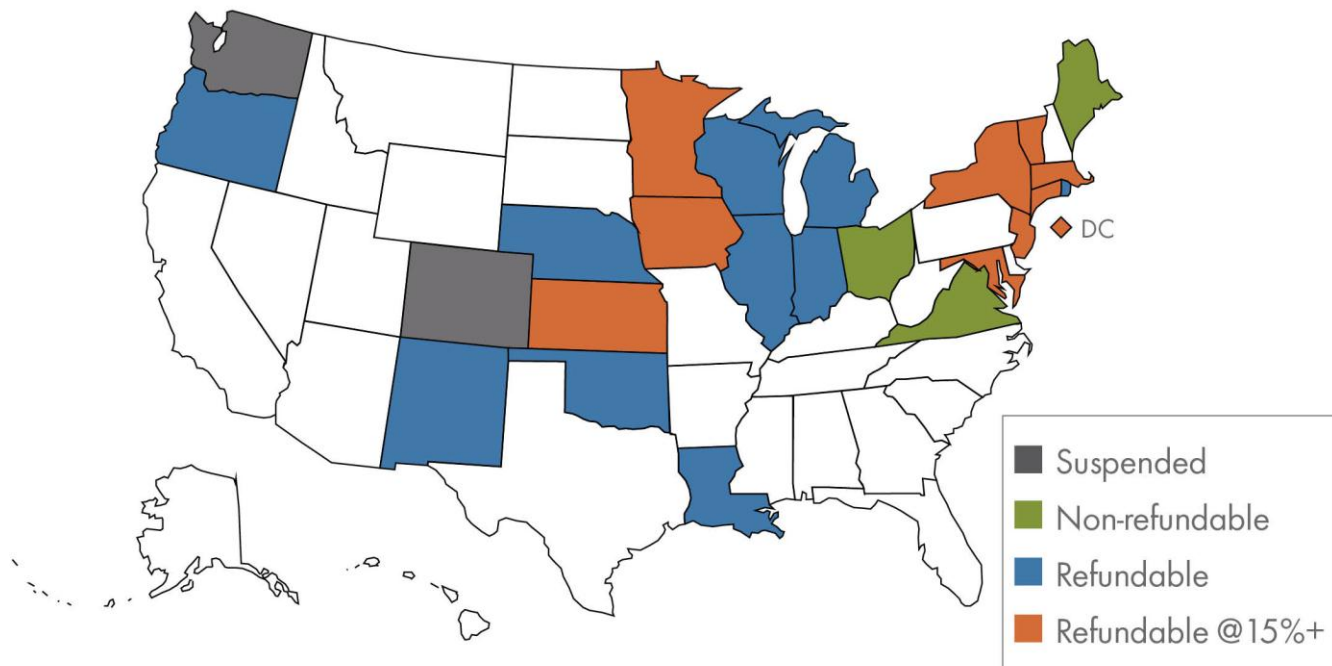


It Sounds Like a Good Idea... but Can it Happen?

Expanded Earned Income Tax Credit:

- 24 states, plus the District of Columbia, have state or local Earned Income Tax Credit programs, in addition to the federal Earned Income Tax Credit.
- Both President Obama and Congressman Paul Ryan, chair of the House Ways and Means Committee, have proposed similar expansions of the federal Earned Income Tax Credit to include single adults without dependents.

State Earned Income Tax Credits



It Sounds Like a Good Idea... but Can it Happen?

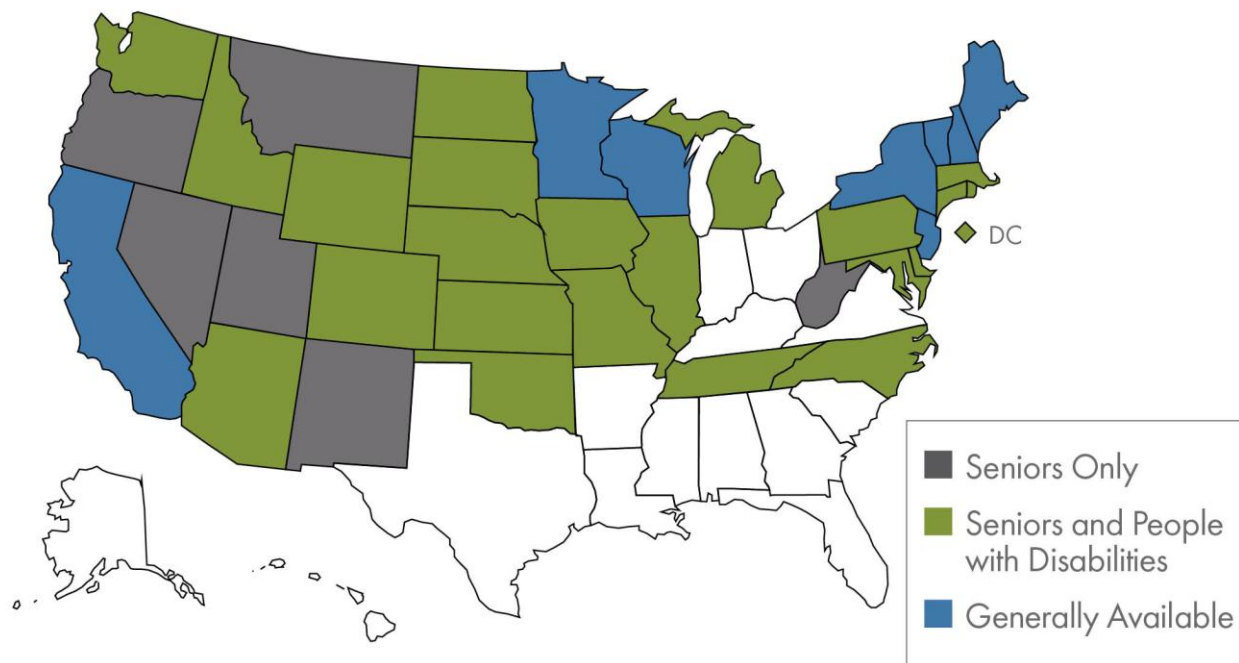
State Property Tax Credit/Rebate Enhancements for Seniors and Persons with Disabilities:

- 28 states have tax credits or rebate programs for seniors and/or persons with disabilities.

Child Care Subsidies/Tax Credits:

- Over 20 states also provide child tax credits and childcare tax credits.

State Tax Relief for Seniors and People with Disabilities



Questions and Feedback ?

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