

Enhancing Income Stability and Employment Policies Supports Health

INCOME STABILITY AND EMPLOYMENT IS A PUBLIC HEALTH ISSUE

Income and socioeconomic status often create differences in access to resources and opportunities for children and families. Economic security and health are uniquely related in that they can impact each other. Creating opportunities for Wisconsinites to move out of poverty and achieve economic security reduces barriers for people to lead productive, healthy lives.

Priority Areas for Income Stability & Employment:

- *Support and expand paid family leave.*
- *Increase earned income tax credit and transition from one-time to monthly payments.*
- *Create tax credit for family caregivers.*
- *Support workforce training and transitional jobs.*

Support and Expand Paid Family Leave

BACKGROUND

Nearly everyone who works will eventually need to take time off in order to care for themselves if they become seriously ill, care for a seriously ill family member, or care for a new baby. Only 12% of workers nationally have **paid** family leave through their employers and fewer than 40% have personal medical leave through an employer-provided, short-term disability program. As a result, many Wisconsin workers who take time off to take care for themselves or their families often face a significant loss of income. The U.S. is the only industrialized nation in the world that does not provide workers with any form of guaranteed paid leave from work.

Low-wage workers are far less likely to have access to paid family or medical leave and are much less likely to be able to afford to take any unpaid leave for which they might be eligible.

Working parents without access to paid leave are often forced to make incredibly difficult decisions about whether to take time off of work in order to care for themselves or their family members.

KEY POINTS

- **Paid Family Leave would provide 2.6 million workers with paid leave insurance coverage** through an employee contribution of between \$2 - \$3.50/week. **All Wisconsin workers would be eligible for up to 12 weeks of paid leave** for personal or family illness, or to care for a new child.
- **Paid family leave policies** reduce the likelihood of having low-birthweight babies and pre-term births. In addition, paid maternity and paternal leave can increase breastfeeding initiation and duration, as well as increase the time parents spend with their infants following birth.
- **Offering employees paid family leave can increase employee retention and save employers** the cost of training new hires.
- **Paid family leave is supported by many organizations.** Support and key coalition partners include: Keep Families First Coalition, Wisconsin Alliance for Women's Health, 9to5 Wisconsin, Family Values @ Work, Public Policy Institute, March of Dimes, along with many others.

LEGISLATIVE REQUEST

Please support and provide paid family leave in the upcoming session. This was introduced in Wisconsin during the 2015-2016 legislative session, but was unsuccessful. If enacted, the Wisconsin Family and Medical Leave Insurance Act would help support efforts to maintain financial stability for individuals for family leave.

Increase Earned Income Tax Credit and Transition from One-time to Monthly Payments

BACKGROUND

The Earned Income Tax Credit (EITC) provides a refundable tax credit to lower-income working families. It encourages people to work by ensuring greater pay after taxes. The EITC reduces poverty and increases income for working families. In 2017, it lifted 9.4 million people out of poverty – including 6.9 million children.

There is both a federal EITC and a Wisconsin EITC. Many workers are eligible for both. The federal EITC is based on a worker's income, number of children and marital status. The Wisconsin EITC is based on a percentage of the federal EITC, 4 - 34%, depending on number of children.

Switching from one-time to monthly payments would provide consistency for individuals and families to have expected, standard income throughout the year and allow for opportunities to meet basic needs, repay debts, or obtain additional education or training.

KEY POINTS:

- **EITC boosts family earnings and decreases poverty.** The benefits of the EITC go even deeper to impact health. Research has shown that by increasing family incomes and reducing poverty, the EITC improves the health of moms and babies.
- **EITC is a powerful tool for improving a child's health,** educational attainment and future earnings, including better school performance, greater college enrollment, and improved infant and maternal health.
- **Higher test scores** are recorded for elementary and middle-school aged students for families who receive larger refundable credits.
- **EITC is supported by many organizations.** Support and key coalition partners include: Kids Forward, Public Policy Institute, Wisconsin Alliance for Women's Health, along with many others.

LEGISLATIVE REQUEST

Please consider increasing the percent of the Federal EITC, increasing the credit for working parents with only one child, reducing the EITC marriage penalty, and allowing noncustodial parents to receive an EITC. In addition, assure that EITC payments are paid monthly rather than in a single lump sum to offer support throughout the year rather than a one time basis.

Establish Tax Credit for Family Caregivers

BACKGROUND

A family caregiver is any relative, partner, friend or neighbor who has a significant personal relationship with, and provides a broad range of assistance for, an older person or an adult with a chronic or disabling condition. These individuals may be primary or secondary caregivers and live with, or separately from, the person receiving care. Caregivers require support – both emotional and financial – to increase their chances of having an effective and healthy caregiving experience. Currently there are no funding sources for family caregivers, creating a disproportionate burden on their health, well-being, and economic viability.

Caregivers provide necessary care for their sick and disabled loved ones. Caregiving can be significant and is a long-term commitment, with care often provided over an extended period of time. Caregiving in the U.S. 2015 Report found that on average, caregivers spend approximately 24 hours per week providing care and serve in their caregiving role for nearly four years.

KEY POINTS:

- **In Wisconsin, 549,000 informal caregivers provided 588 million hours of care in 2014, which equated to a value of \$5.8 million.**
- **The average family caregiver spent close to \$7,000 on out-of-pocket costs in 2016.**
- **The average caregiver spends around 24.4 hours a week providing care,** which is equivalent to a part-time job. Six in ten caregivers report that they must make workplace accommodations due to caregiving responsibilities.
- **In Wisconsin, the 65+ age group accounted for 13.7% of the population in 2010 and is predicted to rise to 23.7% by 2040.** Demand for caregivers will continue to increase.

LEGISLATIVE REQUEST

Create a continuing appropriation per fiscal year to fund a caregiver tax credit program. The Wisconsin Department of Health Services shall administer the caregiver tax credit program and disperse funds to Wisconsin residents who meet eligibility criteria. A bipartisan bill was introduced in the WI State Legislature in February 2019 that would provide a \$1,000 tax credit for caregivers in Wisconsin if passed by state lawmakers.

Support Workforce Training and Transitional Jobs

BACKGROUND

Transitional jobs are time-limited, subsidized, paid jobs intended to provide a bridge to unsubsidized employment. These positions are generally available to hard-to-employ individuals, such as those with limited or no job history, Temporary Assistance for Needy Families (TANF) recipients, or individuals reentering society after incarceration. Transitional jobs can be in government, non-profit, or for profit organizations, and may be combined with training and services to help participants overcome barriers to employment and build work-related skills.

Transitional jobs programs offer temporary subsidized jobs that aim to teach participants basic work skills or help them get a foot in the door with an employer; they also help participants address personal issues and find unsubsidized jobs.

KEY POINTS:

- **Transitional Jobs programs get people working** who would not otherwise be employed. Transitional Jobs programs keep individuals employed and earning a paycheck to meet their basic needs even in very weak labor markets.
- A recent report projects that providing subsidized jobs to unemployed and underemployed individuals in families with children would **reduce child poverty by 11%**--1.2 million children.
- **Transitional job programs may reduce recidivism** among individuals who have been incarcerated.

LEGISLATIVE REQUEST:

There is a major labor shortage in some sectors due to a lack of workers with the necessary and required skills to perform certain jobs in an evolving economy. Please support funding and legislation to increase workforce training and transitional jobs to fill this gap and get people working who would not otherwise be employed.