

Financial Stability for Florida's Future

2014 United Way Position

Florida's United Ways urge Congress to reauthorize financial stability programs and to preserve and strengthen tax credits for low income households.

BACKGROUND:

The Supplemental Nutrition Assistance Program (SNAP) is the cornerstone of the nation's nutrition assistance safety net. Recent proposals in Congress have put this program, which touches the lives of one in five Floridians, at risk 85 percent of SNAP receipts are children, seniors, persons with disabilities and veterans. Children with regular access to nutritious food have improved academic performance and fewer behavior problems, obesity, illness and infection. In addition, SNAP is a vital resource to many families struggling to achieve financial stability, and is an important booster of economic activity in low income communities. Cuts to the program could have devastating impacts on the health and future of children and our communities at-large.

The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) help millions of working families gain financial stability. Enacted by Congress in 1975 the EITC was created to reduce the tax burden on lower-income workers, supplement their wages, and encourage greater participation in the workforce. It has become the nation's largest and most effective anti-poverty program, significantly increasing the number of single parents leaving welfare for employment.

The components of the CTC geared toward lower-income families are also particularly helpful to our state. For lower-income families, recent improvements mean that families can access the credit when earnings surpass \$3,000. This improvement, along with the credit increase to \$1,000 per child means that the CTC can play an instrumental role in reducing child poverty.

The Workforce Investment Act (WIA) creates a comprehensive workforce development system that provides assistance to job seekers and employers. The reauthorization of WIA is an immediate opportunity to make improvements to the system to ensure our workforce is prepared for the jobs employers need to fill. WIA programs have had a pivotal role in helping jobseekers and employers rebound from the "Great Recession." As of March, the Department of Labor indicated that 8 million more jobseekers used WIA programs than in the previous year, a dramatic 291 percent increase from just four years ago.

UNITED WAY POSTIONS:

- Reauthorize SNAP and protect against deep cuts and harmful structural changes to the program.
- Preserve and strengthen the Earned Income Tax Credit and Child Tax Credit.
- Reauthorize the Workforce Investment Act to get people back to work.

FISCAL IMPACT:

- In FY 2012, SNAP provided about \$5.6 billion in food benefits to a monthly average of 3,353,064 people in Florida. SNAP also has an economic multiplier effect; every dollar in new SNAP benefits results in \$1.80 in total economic activity.
- According to the IRS, last year 2.1 million working Florida households claimed \$4.73 billion in the EITC work support. Each household claimed an average credit of \$2,280 that they could use to save or to make necessary investments in their future.

United Way has seen first-hand how valuable these programs and tax credits are for promoting work and supporting children. As congress evaluates its budget, and considers comprehensive tax reform, we urge them to protect these programs and strengthen INCOME stability opportunities for children and families.

For additional information, please contact
The United Way of Florida at: (850) 488-8276.

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