In many ways, Massachusetts is a prosperous state. In 2013, Massachusetts had the 6th highest median income in the nation, and has an educated populace, with above average high school graduation rates and residents with bachelor’s degrees. Despite these impressive statistics, Massachusetts remains one of the least affordable states in the country. Cost of living and housing affordability are some of the worst rates in the country. Along with this, Massachusetts has a problem with income inequality. The commonwealth has the eighth largest gap in the country between the incomes of rich and poor workers. This bill would look to raise the Massachusetts state earned income tax credit to 50% of the federal level, supporting working families in the Commonwealth.

The Bill

H. 2479: An Act improving the earned income credit for working families

Elevator Speech

Hello my name is Josh, and this is Rose and we are students at Brandeis University. We all want to make sure that full time workers who play by the rules shouldn’t be in danger of living on the streets. Instead we should be making sure that our communities provide people with the opportunity to raise their standard of living and climb the economic ladder. The Earned Income Tax Credit [EITC] is one way that we can ensure that the economy works for everyone. As an economics major and volunteer at a local homeless shelter I have seen first hand how raising the EITC can help those who are working in low wage jobs from experiencing homelessness and poverty. In an age of growing income inequality we need to strengthen the most effective anti-poverty program in Massachusetts that strengthens working families. The EITC provides a tax credit to low and moderate-income workers and supports over 400,000 households in the lowest income bracket. Currently Massachusetts is considering legislation, SD 1110, that would raise the state EITC from 15% to 50% of the federal EITC level. This would give Massachusetts the highest EITC in the nation, cementing us as a leader in supporting working communities.
Letter to the Legislator

As a champion of working families you continue to provide opportunity to all Massachusetts residents by co-sponsoring legislation to ensure workers get paid a living wage. As students from Brandeis University, we are writing to you because we are concerned the high cost of living is leaving members of the Waltham community behind. In 2013, 26% of households were severely cost-burdened meaning they paid 50% or more of their gross income on rent. Specifically in Waltham, 10.1% of residents live below the poverty line according to the Census Bureau. Overall, Massachusetts has the eighth highest rate of income inequality in the nation.

Recent proposals in the State Legislature to expand the Earned Income Tax Credit (EITC) are an opportunity to stand up for working families. Currently, Massachusetts is considering H.2479/S.1477 An Act Improving the Earned Income Credit for Working Families. This bill would raise the state EITC from 15% to 50% of the federal EITC level. This would give Massachusetts the highest EITC in the nation, cementing us as a leader in supporting working communities.

Expanding the EITC has a number of benefits including increased housing stability and healthier living habits. For example, money from the EITC can help prevent homelessness, and is also linked to higher educational outcomes for children. In addition, studies have shown that the EITC creates a multiplier effect, recipients stimulate the economy by spending a large portion of their refunds on immediate expenses.

You have been a strong ally to working families in the past and we are hopeful that you continue to stand with us moving forward. Senator Michael J. Barrett is already co-sponsoring the legislation and we hope Waltham legislators vote in lockstep to promote economic opportunity. We urge you to talk to your colleagues and publicly support H.2479/S.1477 and help raise standards of living both in our district and across Massachusetts.

House Ways and Means Script

We are here today because of our concern for working families being left behind in our economy. We’ve seen your dedication to Massachusetts working families through your co-sponsorship of the Act Relative to Economic Development Reorganization. Today, 11.9% of your hometown, Haverhill’s, population is earning wages below the poverty line.

As Chair of Ways and Means you know that budgets are about making choices. As students at Brandeis University, we care deeply about our community in Waltham as well as communities across the commonwealth. Because of this, we want to ensure that Massachusetts makes the choice to support all members of the community.

In 2013, 26% of households were severely cost-burdened meaning they paid 50% or more of their gross income on rent. Currently Massachusetts has the eighth highest rate of income inequality in the nation. Also, state taxes in Massachusetts are regressive so low and middle-income residents pay a larger portion of their income in taxes than the top twenty percent of residents.

Recently, the Joint Committee on Revenue held a hearing about increasing the EITC. One of the women who testified, Tomasa, spoke about how the EITC allowed her to escape the cycle of poverty. I had the opportunity to speak with her one-on-one. She told me that over the years she worked a variety of low wage jobs saving as much of her salary and EITC refunds as she could. Finally in 2006 with the help of her EITC refunds Tomasa was able to put a down payment on a house in Boston. She and her husband rent out a room in their house to supplement their income, giving them economic security and putting their income above the minimum level to earn the EITC. When Tomasa told me about the EITC her eyes lit up with pride that she was able to keep fighting and achieve her American dream.

The bill we are advocating for today is H. 2479, An Act improving the earned income credit for working families. It has three main provisions, the first is increasing the state EITC from fifteen percent of the federal credit to fifty percent. The second is directing the Department of Revenue to engage in an extensive promotional campaign to ensure all Commonwealth residents who are eligible for the EITC claim it. The third is allowing certain victims of domestic violence and abandoned spouses to access the credit. Since tax refunds going to low-income people go straight back into the economy, this bill will bring an additional economic stimulus of approximately 208 million dollars into Massachusetts according to the Children’s Health Watch.

Another crucial part of strengthening the economy is keeping our families healthy.

The EITC will continue to improve health outcomes even further if we pass H. 2479. A study done by the Federal Reserve in 2013 shows that EITC recipients buy more fruits and vegetables and other healthy food items during the months refunds are paid. EITC expansions are also linked to reduced rates of low birth weights as well as a variety of educational outcomes for low-income children including test scores. Experts in the health profession are very passionate about and recognize the importance of the EITC. In fact, the Children’s Healthwatch, which is a nonpartisan network of pediatricians, public health researchers and children’s health care policy experts, are part of the coalition advocating for this bill. They agree that
as one in seven children in the commonwealth lives below
the poverty line, expanding the EITC is an essential way to
invest in the future and health of our great state.

The Children’s Health Watch projects this bill would
cost the Commonwealth $260 million dollars. Some may
argue that this is too much but most of this money would
go right back into the community, acting as an economic
stimulus. In addition to this, the increase in wages will
allow families to choose healthier options, which could cut
costs in our health care budget. As we said earlier budgets
are all about choices, expanding the EITC should be a
legislative priority because of its positive economic, health
and educational impacts.

As Chairman of the House Ways and Means
Committee, we know that you have the power to ensure
that legislation is passed through the Massachusetts state
house. With bold leadership and strong political will,
we can ensure that our money goes to working families.
According to the Brookings Institute, in your district over
3,500 residents filed for the earned income credit in 2013.
By supporting H.2479, in the 3rd Essex district alone,
you can increase EITC refunds from $8 to $12 million.
With your help we can stand in support of Massachusetts
working families and make sure the economy works for
everyone. Will you talk to your colleagues about H.2479
and ensure expanding the EITC to 50% is a budget priority.

■ Excerpts from Campaign Journals
Josh

Senator Eldridge is the lead sponsor in the senate of the
Act to improve the earned income credit for working
families. Because of this, Rose and I decided to schedule
an interview with him for our EITC movie. I think that
we had a very good strategy around getting him to do the
interview. We had already visited his office before when
we emailed him to ask for an interview. In addition to this,
we followed up on the email in person, when we visited
his office last week. These meetings ensured that Senator
Eldridge would take time out of his busy day to sit down
for a short interview. After meeting with his office and
scheduling with his communications director I got to sit
down with the Senator to ask him a few questions. I was
struck by how his answers were not very “wonky” at all.
He didn’t spend much time talking about the technicalities
of the bill, instead he spent a lot of time talking about
what the consequences of this bill would be for working
families. He was appealing to the emotional aspect of a
struggling family rather than the macro level impacts that
the policy would have on the state. This seemed to be an
effective way of communicating why the bill should be
passed. Rather than focusing on numbers he focused on the
people. I think that the interview went really well. I was
really happy with his call to action. It was compelling and
it worked well in our video.

Rose

Our first meeting was with Luz Arevalo and Lydia Edwards
of Greater Boston Legal Services (GBLS), and this meeting
was primarily for Josh and I to introduce ourselves to Luz
and Lydia and hear about their work on Senator Eldridge’s
EITC bill thus far. Josh and I also explained the structure
of our class, the kind of assignments we would be working
on and our time commitment. Lydia told us that she helped
write the section of the bill about victims of domestic
violence. Luz gave us a binder she’d been using to collect
information about Senator Eldridge’s EITC bill. It had a list
of co-sponsors, members of each committee, legislative
caucuses and a copy of the bill and some fact sheets. Later
in the meeting, Luz asked us to make a spreadsheet with
all of the members of the Joint Committee on Revenue
(the committee the bill will likely go to), with columns for
their district and if they are co-sponsors. Then as we have
meetings with legislators we can record if they support the
bill or not. Luz also said she would connect us by email
with a woman from the Brazilian Women’s Group, as she
might have clients that are interested in lobby for the bill. It
would allow us to make sure we had people in a variety of
districts calling their representatives about our bill.

Overall this meeting was pretty successful, Josh and
I did a good job clearly defining what our role would be in
the project and that we were happy to take on side projects
from GBLS if they were substantive. I also think that GBLS
was excited we would be going to the State House and
lobbying for the bill since it will allow them to develop a
more thoughtful legislative strategy through our insight. At
this meeting I think we built up a good rapport with Luz
and Lydia, it was evident they appreciated our knowledge
of the bill and passion for working on it. Luz and Lydia both
agreed to try and set me up with clients I could interview
for the storybook assignment.

■ Update

As of September, the official record noted that a hearing
was scheduled for the bill on March 31, 2015.

For more information
Massachusetts Coalition for the Homeless
mahomeless.org