

# **WHY A UTAH EARNED INCOME TAX CREDIT (EITC) SHOULD BE CONSIDERED AS OUR NEXT MAJOR STEP TO ADDRESS INTERGENERATIONAL POVERTY**

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SEPTEMBER 21, 2016**

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# ABOUT VOICES FOR UTAH CHILDREN

Since 1985, Voices for Utah Children has worked to make Utah a place where all children thrive. We start with one basic question: "Is it good for kids?" At Voices for Utah Children, we believe that every child deserves the opportunity to reach his or her full potential.

Our fiscal policy program focuses on two priorities:

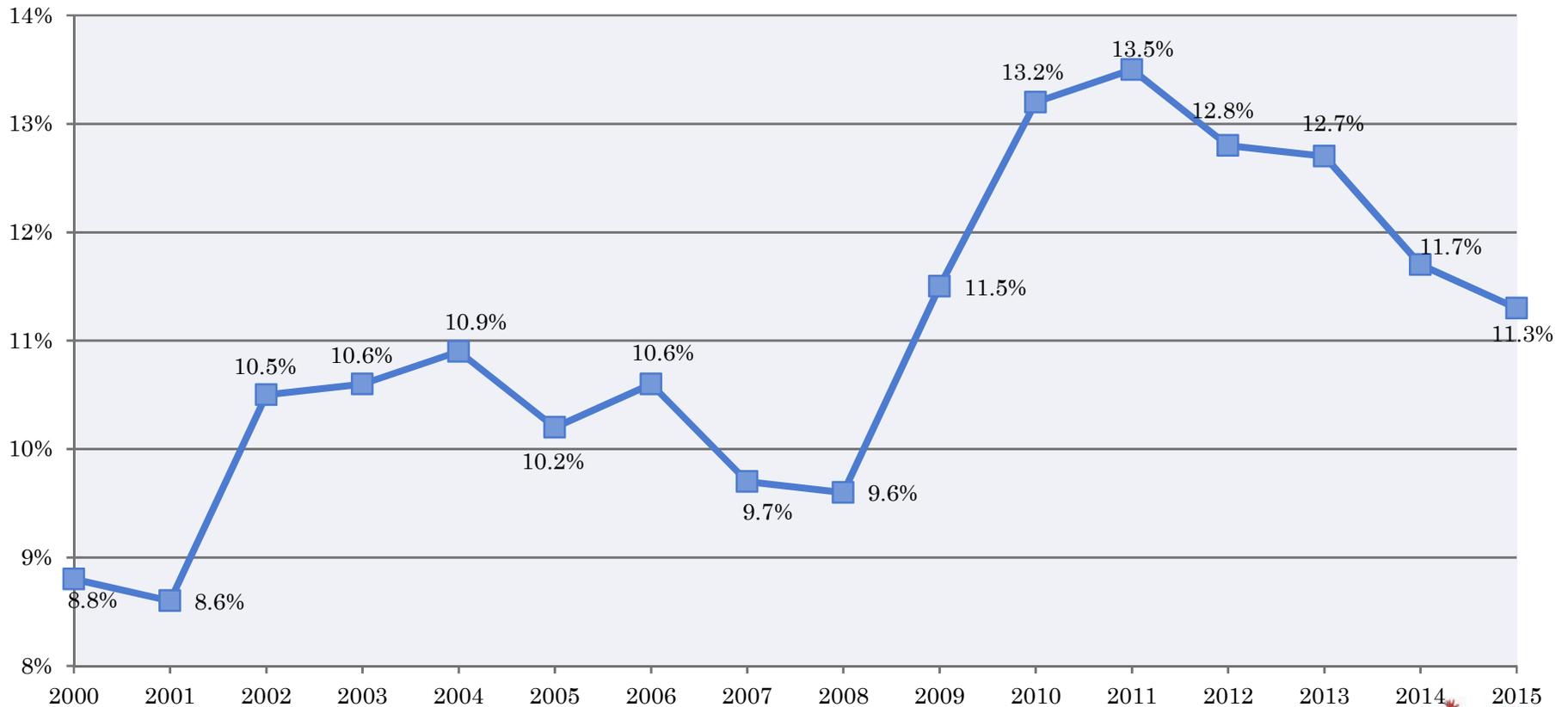
- 1) Are public revenues sufficient to sustain the necessary investments in the next generation, investments that are the foundation of our future prosperity?
- 2) Is our system of generating public revenues structured fairly, such that no one is taxed into poverty as the price of educating their children?



# POVERTY IN UTAH: WE STAND AT A CROSSROADS



# POVERTY IN UTAH: AN UPWARD TREND 2000-2015



# POVERTY IN UTAH: OUR UPWARD TREND IS RELATED TO DEMOGRAPHIC CHANGES

- ❑ 2010 Census: Utah just the 18<sup>th</sup> whitest state in the nation
- ❑ 2015 Census Bureau data:
  - Utah 21% non-white
  - Utah 14% Latino/Hispanic
  - 17% of Utah children are Latino/Hispanic
  - Latino poverty rates 2-3x those of whites

UTAH 2015	White	Hispanic
% of population below poverty line	9.2%	19.5%
% of children below poverty line	9%	25%



# THE EITC: A NEW TOOL TO ADD TO UTAH'S POVERTY-FIGHTING TOOLKIT

## **Dr. Michael R. Strain, Resident Scholar and Director of Economic Policy Studies at the American Enterprise Institute**

Dr. Strain's research has been published in peer-reviewed academic journals and in the policy journals *Tax Notes* and *National Affairs*. His essays and op-eds have been published by *The New York Times*, *National Review*, *The Weekly Standard*, *The Atlantic*, *Forbes*, *Bloomberg View*, and a variety of other outlets, and he is a regular contributor for *The Washington Post*. He is frequently interviewed by major media outlets and speaks often to a variety of audiences.

Before joining the American Enterprise Institute, Dr. Strain worked in the Center for Economic Studies at the US Census Bureau and in the macroeconomics research group at the Federal Reserve Bank of New York. He is a graduate of Marquette University and holds an M.A. from New York University and a Ph.D. in economics from Cornell.



# THE EITC: A NEW TOOL TO ADD TO OUR POVERTY-FIGHTING TOOLKIT

## 26 states have an EITC

- ❑ a mix of richer and poorer states
- ❑ states across the political spectrum



# THE EITC: A NEW TOOL TO ADD TO OUR POVERTY-FIGHTING TOOLKIT

## Utah EITC proposed innovations:

- Link to and incent saving for children's post-secondary education/training



# THE EITC: A NEW TOOL TO ADD TO OUR POVERTY-FIGHTING TOOLKIT

## Utah EITC proposed innovations:

- ❑ Reduce fiscal note to \$5-10m targeting to IGP population and/or with phase-in provision and models from other states:
  - CO: fiscal triggers
  - CA: front-load the credit to the neediest of the working poor



# THE EITC: A NEW TOOL TO ADD TO OUR POVERTY-FIGHTING TOOLKIT

## UtahFamilyTaxCredits.org

**Learn About Pro-Work, Pro-Family Tax Credits Utahns Rely On**  
Help grow the highly successful, time-tested Earned Income Tax Credit in Utah

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Family Stories

How do tax credits help your family?

State EITC (Long Version)





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## Join us at the Children's Champion Award Luncheon: Sep. 22, 2016

Celebrating Today, Making a Difference All Year Long Date: Thursday,  
September 22nd Location: Little America Hotel, Salt Lake City Check-in:  
11:30 Luncheon and Program: Noon – 1:30 (Program...

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