A GEORGIA WORK CREDIT:
A POLICY TO HELP WORKING WOMEN KEEP MORE OF THE WAGES THEY EARN

Welcome!
Please stand by.
The webinar will begin promptly at noon.
THIS IS US

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LEARNING OBJECTIVES

1. Become an expert on a fiscal policy tool that has great potential to further support working women in Georgia.
2. Understand why and how a state earned income tax credit, or Georgia Work Credit, would have notable benefits for working women in Georgia.
3. Identify opportunities for engagement as part of the Georgia Work Credit community of advocates.
FAMILIES ALREADY BENEFITTING FROM FEDERAL EITC

- Federal income tax break aimed at workers, especially parents with dependent children
- Provides up to a few thousand dollars a year for working families earning low wages
- Helps put families and kids on an upward trajectory
- Bipartisan support
- Incentivizes work
EARNED INCOME TAX CREDIT IN GEORGIA

1.1 million Georgia families claim the EITC

- 2.6 million Georgians
  - 1.2 million kids
  - 770,000 moms
  - 410,000 dads
- 80,000 military families
MORE THAN 1 IN 4 GEORGIA FAMILIES GAIN FROM EITC
FEDERAL EITC A CRITICAL BOOST TO WORKING MOMS

Single mom, one child

- Cashier, minimum wage ($14,500 annual income)
  - Federal EITC = $3,359
EITC HELPS YOUNG PARENTS STAY SELF-SUFFICIENT

Married couple, two kids

- Two part-time jobs
  ($29,000 annual income)

- Federal EITC = $4,417
EITC HELPS FAMILIES REACH THE MIDDLE CLASS

Married couple, three kids

- Nearing middle class
  ($40,000 annual income)

- Federal EITC = $2,794
FAMILIES RECEIVE FULL VALUE OF CREDIT

Young parents, two kids
$29,000/year

Fed. EITC
= $4,417

Refund $3,587

Offsets tax bill -$830
CREDIT HELPS FAMILIES AFFORD BASICS, INVEST IN FUTURE

Typical uses of credit:

- Pay down debt
- Cover necessities like food, housing, child care
- Make large one-time investments like car repair
- Save
- Other family spending
CREDIT LINKED TO BENEFITS AT EVERY STAGE OF LIFE

- Improved infant and maternal health
- Better school performance
- Greater college enrollment
- Increased work and earnings in the next generation
- Social Security retirement Benefits
EXTRA DOLLARS BOOST LOCAL COMMUNITIES

Working families spend locally
Retailers, restaurants, other small businesses gain

Economic impact = Up to 2x value of credits received
Some sales, property tax capture

$256 million
Amount of federal EITC dollars claimed by Fulton County families in 2013
TAX POLICY IS A WOMEN’S ISSUE
YWCA OF GREATER ATLANTA

• Advocates for state-level policy that can improve the lives of women and girls in Georgia
• Encourages more women to get involved in the policy process, as a strategic pathway to better public policy
STATE POLICY MATTERS

- State-level policy has a direct impact on the day-to-day lives of women and girls in Georgia.
- State policy solutions can improve the health & safety and the economic empowerment of all women and girls.
- Women *need to be* at the table when policy decisions are being made, either serving as advocates or as elected officials.
WOMEN IN ELECTED OFFICE

Women are dramatically underrepresented in state-level elected office in Georgia.

There are no women elected to statewide office currently in Georgia.

Of Georgia’s 236 state legislators:
- 27 percent are women
- 13 out of 56 Senators are women
- 51 out of 180 Representatives are women
WOMEN AS ADVOCATES

A record number of women are getting engaged in policy advocacy

There are **100 alumni** of the YWCA’s Georgia Women’s Policy Institute
ECONOMIC STATUS OF WOMEN

- At the current rate, Georgia women will not achieve equal pay until 2057
- The percent of women in poverty in our state is growing. Georgia ranks in the bottom 10 of all states on this measure
- Women disproportionately work in lower wage jobs and are more likely to live in poverty, make minimum wage, or rely on tips
- In over half of all Georgia families with children, mothers are breadwinners
STATE-LEVEL POLICY CAN IMPROVE WOMEN’S ECONOMIC OPPORTUNITY

- Family-friendly workplaces
- Equal pay
- Preventing sexual harassment
- Access to affordable childcare
- Nontraditional careers/job training
- Tax policy that helps low-wage workers
OPPORTUNITY FOR A GEORGIA WORK CREDIT

Twenty-nine States and DC Have Enacted EITCs, 2017

- States with refundable* EITCs (24)
- States with non-refundable EITCs (6)

*Refundable EITCs give working households the full value of the credit they earn even if it exceeds their income tax liability.
Source: CBPP analysis
A STATE MATCH PROVIDES A MODEST YET CRITICAL BOOST

**Average** federal EITC in Georgia = $2,700
- 10% refundable state match = $270
- 5% refundable state match = $135

**Maximum** federal EITC in Georgia = $6,242
- 10% refundable state match = $624
- 5% refundable state match = $312
GEORGIA WORK CREDIT BOOST TO WORKING MOMS

Single mom, one child, $14,500 annual income

- Federal EITC = $3,359
- 10% match = $336
- 5% match = $168
GEORGIA WORK CREDIT BOOST TO YOUNG FAMILIES

Married couple, two kids, $29,000 annual income

- Federal EITC = $4,417
- 10% match = $442
- 5% match = $221
GEORGIA WORK CREDIT BOOST TO MIDDLE CLASS

Married couple, three kids, $40,000 annual income

- Federal EITC = $2,794
- 10% match = $279
- 5% match = $140
GEORGIA WORK CREDIT: IMPACT ON WOMEN

• Family-friendly tax reform that can empower more women to move into the middle class
• Would impact 900,000 working women in Georgia
• Includes office and admin, retail sales, food service and health care workers
• Makes taking on extra hours worth it
• Helps working women pay for necessities
HOW WILL WOMEN USE THE CREDIT?

An extra $200-300 a year could help a working woman pay for:

• After school care
• Healthy food or prescriptions
• A car repair to get to work
• Educational expenses as a returning student
• Transportation to prenatal visits
• Emergency funds to leave an abusive partner
MORE BENEFITS OF A STATE EITC

• Improves educational outcomes for children
• Improves infant health – Georgia can realize an 8.4% decline in babies being born at low birth weight
• Boosts social security benefits for women when they retire
States using earned income tax credits to improve the lives of working women
WOMEN NEED YOU:

ENGAGE IN THE
GEORGIA WORK
CREDIT COMMUNITY
Q: HAVE YOU EVER WORKED ON A PUBLIC POLICY ISSUE?

Y OR N

QUESTIONS
RESOURCES
GeorgiaWorkCredit.org
GBPI.org