

June 21, 2021

Dear Michigan Congressional Member:

As discussions unfold regarding the President's proposed American Jobs Plan and the American Families Plan, the undersigned Michigan groups urge Congress to take this opportunity to enact a recovery package that builds an economy where everyone has access to affordable health coverage and housing; where workers in low-paid jobs and those with fewer job prospects have the supports to help them get by and get ahead; where all children can reach their full potential; and where corporations and the wealthy pay their fair share. This moment represents a historic, once-in-a-generation opportunity to build a stronger, more equitable economy that shrinks the long-standing racial and ethnic disparities in our nation.

Together, the President's broad recovery agenda, including the American Families Plan and the American Jobs Plan, includes several critical investments. Congress should move swiftly to build on the President's proposals and craft recovery legislation that improves the health and economic security of families and works towards significantly reducing racial health, income, and housing disparities. Our wealthy nation can afford to make these critical investments — and cannot afford not to do so now as we work to build a stronger and more equitable recovery.

The President's recovery proposals include many important policies to create a stronger and more equitable economy. But Congress will need to address shortcomings in certain areas and add more details to the broad outlines that the President has put forward. We believe the policies outlined below represent the most critical in creating an equitable and effective recovery as well as those policies most in need of congressional attention. Each of these proposals would have a significant impact in reducing racial income, housing, and health care disparities.

- **Cut child poverty by more than 40 percent and boost incomes for low-paid workers** by making permanent the Rescue Plan's temporary expansions of the Child Tax Credit and Earned Income Tax Credit for low-wage working adults. In our state, about 810,000 children would benefit from the CTC expansion and 571,000 of these working adults would benefit from the ETIC provision, including 117,000 in rural areas.
- **Help families with low and extremely low incomes pay the rent and keep a roof overhead** by pairing the President's proposed increase in funding in affordable housing construction with a multi-year, guaranteed investment to substantially expand housing vouchers. Capital side investment must be paired with voucher expansion because people with incomes below the poverty line generally won't be able to afford the housing these development subsidies build unless their household also receives a voucher or other rental assistance. Though the President's Fiscal Year 2022 budget proposes an additional 200,000 vouchers for next year, this would cover only a small fraction of unmet needs. In Michigan, 2 out of 3 low-income households pay too much for rent and do not receive a voucher or other federal rental assistance due to limited funding.
- **Fix and strengthen our outdated unemployment insurance (UI) system** so that it better meets the needs of working people when they lose their jobs and need support. Permanent reform is needed to shore up a system in which too many unemployed workers get little assistance or none at all. That's why President Biden's American Families Plan calls on Congress to fix UI. Prior

to emergency pandemic expansions, fewer than three out of ten unemployed workers received benefits from the regular UI program nationwide, and only one out of ten in some states. Coverage barriers are particularly bad for Black, Latinx, and Indigenous workers, and women. A modernized system would expand eligibility to more low-paid workers, establish minimums for benefit levels and weeks of support available, better prepare for the next downturn, and improve IT infrastructure so people can easily apply for and claim benefits.

- **Build a foundation for economic success** by adopting the Biden administration's proposed improvements in child care, nutrition programs, and paid leave so people can meet basic needs and build towards prosperity.
- **Create subsidized jobs to help those who face persistent barriers in the labor market, such as hiring discrimination, low education levels, or prior criminal history.** Subsidized employment programs provide pivotal work experience to jump-start the careers of individuals who face long-term unemployment and struggle to enter the labor market. Research shows they help people get better jobs and higher wages later on. Subsidized jobs garnered bipartisan support and proved successful during the recovery from the Great Recession. The American Jobs Plan calls on Congress to for create a new subsidized job program as part of the recovery package.
- **Ensure that immigrants and their families can fully access supports.** Congress should design policies in the recovery package without barriers that would bar immigrants from getting supports and should seek to address barriers to supports that already exist.

To help fund these high-priority investments that would help build an economy that works for all of us, we support President Biden's proposals to require wealthy households and corporations to pay their fair share of federal taxes. For decades, people at the very top have reaped outsized gains, as their income and wealth has surged, including during the pandemic. This wealth gap was exacerbated by the fiscally irresponsible and highly inequitable 2017 tax cuts. Part of the problem is wealthy people do not pay taxes each year on a large share of their income, much of which comes from increases in the value of stock, real estate, and other holdings. And when wealthy people do pay tax, they often pay at discounted special rates, benefiting from loopholes and tax breaks that have increased in recent decades. President Biden's reasonable proposals would correct many of these disparities.

Part of building a stronger and more equitable recovery is to address these inequities and inefficiencies in the tax code. We strongly urge you to seize this historic opportunity to make responsible tax reforms and use the savings to make investments that will improve the health and economic security of families and work towards eliminating racial health, income, and housing disparities.

Sincerely,

Action of Greater Lansing
Blue Green Alliance
Detroit Action
Gamaliel of Michigan
Liminality Consulting
Michigan Community Action

Michigan Coalition Against Homelessness
Michigan Faith in Action
Michigan League for Public Policy
MOSES
Oakland Forward
United for Respect