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**Testimony before the Human Services Committee
in SUPPORT of SB 163, AN ACT CREATING A STATE EARNED INCOME TAX CREDIT
Submitted by Susan Hamilton Peck
for the National Association of Social Workers, CT Chapter
February 21, 2008**

Senator Harris, Representative Villano, other members of the Human Services Committee, thank you for the opportunity to speak today. My name is **Susan Hamilton Peck**. I am the social worker for the Winchester Youth Service Bureau and I am here representing the CT chapter of the National Association of Social Workers on behalf of the many low income workers Connecticut's 3800 NASW members serve.

I am here to offer my support of Senate Bill 163 **AN ACT CREATING A STATE EARNED INCOME TAX CREDIT**. I realize our time here today is short, and that this and other committees have studied this concept many times over the past several years. So I will spare you more academic and statistical details regarding the well established evidence that the Earned Income Tax Credit is an excellent immediate local economic stimulus policy, how it raises children out of poverty and rewards work while helping working poor families establish self-sufficiency.

Instead I want to share with you the day to day realities of families I know who receive the Federal Earned Income Tax Credit, and the ways it impacts *their lives*, and *our communities*. I have to admit, my first thought came for myself, since I recently needed oil in my furnace, and had to pay almost \$500 for the minimum delivery of 150 gallons. Thankfully, I now have two jobs, and therefore had the money available to order my oil when needed. (If I didn't work jobs 'on the side' to make ends meet, I would be eligible for the Federal EITC...) But the thought of \$500 for a minimum oil delivery wasn't completely selfish. It's a way that I better understand the extreme stress on low income families.

It makes me think of *Pete, a single dad* who stepped up to the plate and took full custody of his young son, now a teenager, when his x-wife could not overcome her addictions. This man works hard, keeping his own issues in check, so he can work in local factories, provide for his son, and be there when he needs him. I have known him for close to 5 years now, and each year, he gets his tax returns done as soon as possible in January (way before I do my own in March or April!), and uses his EITC in very structured and healthy ways. He *pays off any heating and electric balances*, to ensure they won't receive a spring shut off. He *purchases new clothes, and shoes for his rapidly growing son*, and sets aside a 100 or two for *new school clothes* the following August. He *fills his freezer* with meat from the local store's butcher while he can afford to buy in bulk. He *arranges to pre-pay* for a specialized

summer day camp for his son, so that Jr. can have fun, structured activities that include skills and techniques for understanding addiction, and avoiding his mother's problems in his own life. After all this, and investing at least some money in a CD, then he purchases various ***work clothing and tools*** for himself.

It makes me think of Mike and Carrie. ***Parents of three school age children.*** Both with trouble teen years, they work hard, and focus their lives on being good parents, and providers for their children. They had even ***temporarily achieved the American Dream of owning their own home.*** The escalating heating and electric costs of the last few years forced them to sell the house as they were nearing foreclosure. Their EITC goes towards ***current bills, car repairs, gas*** to get to work, providing ***clothing*** for their children, ***occasional splurges*** on family outings, ***replacing the swing set that had to be left behind with their house.***

The impact on low income working families is real. In my local community, 10 to 12% of filers claim the Federal Earned Income Tax Credit. Even in the broader Senate District which includes communities with greater financial stature, the figure is 7% with almost 3500 filers receiving the Federal credit. An additional 20% CT credit to offset the gas, sales and property taxes low income workers pay can bridge the difference between basic survival and moving forward. ***The impact on low income working families is real. The time to bring the National bi-partisan support to Connecticut & establish a state EITC is NOW.***

Thank you very much for your time, and hopefully in advance for making 2008 the year for an earned income tax credit in Connecticut.