

Testimony in Support of a State Earned Income Tax Credit
S.B. 1007, An Act Concerning the Governor's Recommendation on Revenues

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Members of the Finance Revenue and Bonding Committee:

It is an honor to submit testimony in support of establishing a state Earned Income Tax Credit as part of the discussion on SB 1007, “An Act Concerning the Governor’s Recommendation on Revenues.” I am the Rev. Josh Pawelek, minister of the Unitarian Universalist Society: East in Manchester, and President of the Greater Hartford Interfaith Coalition for Equity and Justice—a faith movement acting for a just society. I am submitting this testimony on behalf of our coalition’s twenty-seven member congregations and in alliance with other faith-based justice organizations and with the Better Choices Coalition. I firmly believe that passage of the Earned Income Tax Credit in CT is one critical step on the path to a just society, one critical step in bringing much-needed relief to our state’s low income workers and their families.

We are grateful that so many legislators have pledged their support to passing the Earned Income Tax Credit this year. Many of you, and many of us in the faith community and our allies, have been calling for a state Earned Income Tax Credit for many years. Though our nation is beginning to pull out of its most recent recession, low income workers still feel the full brunt of economic hardship. Low income workers have been gouged at grocery stores, pummeled at the pumps, harassed in housing, jostled in jobs, and abandoned in their access to quality, affordable healthcare. Low income workers have been stretched and strangled and squeezed to the limit. Even as our nation pulls out of its recession, it seems that recession for low income workers is a chronic, persistent feature of our economy. The state Earned Income Tax Credit will bring some much needed relief. It is still long overdue.

A story from a few years ago stands out to me. A middle-aged couple from our congregation came to see me. They were both temporarily out of work due to medical issues. They manage their money well. They don’t live beyond their means. Even so, they have no discretionary income—no cushion—to get through a crisis should one arise. Their car broke down. The first mechanic said \$1200. They found another mechanic who said \$900, so they had the car towed there. However, when the second mechanic started doing the work he discovered further problems with the car—a new radiator was essential. The cost now would be \$1400. What could they do? Without a car, they would be stranded and unable to get back to work when they are ready. They had the mechanic fix the car. When they went to pick it up, the mechanic had only charged them half price. “I know you need it more than me,” he said. Then they came to me. I was able to write them a check for \$300. I have a fund which my church has created precisely for this purpose. I note that churches, synagogues and

mosques are writing these kinds of checks, when they can, more and more. And, at least for me, it's rarely homeless and long-term unemployed people to whom these checks are written. It's to people with steady jobs. What do they need the money for? Diapers, baby formula, medical co-pays, registering for courses, car repair, gasoline, groceries, computers, Christmas gifts, school clothes, school supplies. And I know we in the faith community will keep writing these checks as we can. I know there are those in the business community who will keep doing what the mechanic did for my parishioners, as they are able.

Today we are asking our state government to do something similar, but with one difference. We are not asking for charity. We are not asking for a handout. We are asking for tax fairness, for a more equitable and less regressive sharing of the tax burden. We are asking simply that poor and low income workers retain more of the money they have already earned through their labor.

As you contemplate your support for the Earned Income Tax Credit, I urge you to look at Connecticut and ask: What shall our state's character be? I urge you to work towards a Connecticut that cares about poor and low-income working families. In keeping with that character, let us, this year, finally create the Earned Income Tax Credit in CT.

Thank you.