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ALDERMAN, 2ND DISTRICT

Bold, bipartisan measure could help needy families while boosting our state economy

Statement of Alderman Cavalier Johnson May 21, 2019

Part of the genius of the federal system of the United States is that the central government allows for innovation and creativity to flourish in the several states. Capitols from east to west get to experiment with policies and initiatives that can improve the lives of citizens and in doing so, become templates that encourage increased shared prosperity to fellow citizens in other states.

That's a neat concept.

Wisconsin has notably been the first state to inspire changes that have gone on to affect Americans in all corners of our country. For example broadly available public kindergarten started here. The first state guaranteeing women the right to vote was Wisconsin. Electric streetcars, unemployment compensation, and the Republican Party all got their start here in the badger state.

The recent revelation that the State will take in over \$750 million more than expected due to better than anticipated tax collections provides yet another opportunity for Wisconsin to lead the way.

State law mandates that a portion of these funds go into the rainy day fund — and I could not agree more. In fact, I was supportive of and pleased that Milwaukee's city government saved a lump sum of about \$14 million that was made available because of our previous fiscal stewardship in pension payments. I applaud the state for taking action to set money aside for potential downturns. But considering that the money that we're talking about that will be coming to State coffers is three quarters of a billion dollars, I think that an argument can be made to save yes, but to also invest in our people.

There is a bill circulating in congress called The American Family Act and that legislation has a bold plan to increase the Child Tax Credit by creating a child allowance that would be paid out monthly as opposed to a lump sum. The allowance is unique in that unlike other programs, the money is flexible — because life demands flexibility. One month, a family could be in need of food and the next, a growing child in the same family could need new clothes. Having such an allowance is projected to cut childhood poverty in the United States. There is also evidence from the National Academy of Science that indicates the less poverty children endure, the less likely they are to be involved in criminal activity and the more likely they are to graduate from school and earn decent wages.

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While this would be the first child allowance in the United States, Wisconsin wouldn't be alone because several western developed nations in Europe have implemented such allowances and close to home, Canada just recently expanded its program. In fact, 11.8% of children in the United States live in poverty which doesn't have a child allowance. This is compared to 6.2% and 3.6% of children in Germany and Sweden, respectively. Both countries have a child allowance.

The good news is that there is already precedent for such a program in Wisconsin. Last year, recognizing the expenses that mount up for parents and families before the school year begins, former governor Scott Walker's administration provided \$100 dependent child tax rebates that were taken advantage of by nearly 560,000 families across Wisconsin. The bad news is that we all know that for many families in our state, the pressures that mount before the school year begins only compound financial pressures that are already there year round because let's face it — raising children is expensive.

Our state can afford to pilot a program that lifts the poorest children in the poorest communities out of poverty. State government ought to consider setting aside some of this windfall and create a program targeting concentrated urban poverty in Milwaukee (where nearly 30% of children live in poverty) as well as rural poverty elsewhere in the state.

There is an opportunity here for a bipartisan effort that will positively benefit our neediest residents and those into the middle class who know the stresses of child raising all too well. This would also be an economic stimulator as we know when people with middle to low incomes get cash they tend to spend it.

Emulating a program like this would be unique, life changing, community stabilizing, and, would allow Wisconsin to lead the way nationally as a laboratory of democracy.

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