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Addressing Poverty Is a Crucial Step for Legislators

In February 2021, before the passage of the American Rescue Plan Act (ARPA), the Urban Institute estimated that one in seven Americans would live below the poverty threshold in 2021. The Constitution of the United States declares that one of its purposes is to “promote the general Welfare.” We, as elected officials, are charged to do what we can to improve the lives of the people we represent. That means we must lift people out of poverty.

There are multiple fronts on which we can fight poverty. One example is President Biden’s expanded Child Tax Credit, which increased to \$3,000 per eligible child under 18. As a part of ARPA, parents can choose to receive this tax cut in monthly \$300/child installments or can defer it until tax season. It is estimated that the increased money in people’s pockets could cut American poverty rates in half.

Raising the minimum wage is another smart move which could lift Americans out of poverty. An April 2021 Congressional Budget Office report estimates that increasing the minimum wage to \$15/hour could lift up to 1,700,000 people out of poverty. Giving almost 2 million people a new lease on life, especially after such a tough year working and living through the COVID-19 pandemic, is crucial.

One oft-heard response to trying to raise the minimum wage is that “burger flippers” or high schoolers shouldn’t make as much as those in other professions who are currently making around \$15/hour. However, 80% of workers in the United States that earn minimum wage or less are 20 years or older. The idea that the minimum wage is going to only help high school workers who are just working nights and weekends is patently false.

In addition, while increasing the minimum wage will have a direct positive effect on minimum wage workers, it will also have a positive impact on other workers as leverage for a pay increase. An increase in the minimum wage will help to reverse decades of pay inequality between the most underpaid workers and workers receiving close to the median wage, particularly along gender and racial lines. The increased wages will also help stimulate the economy and spur greater business activity and job growth.

In the Wisconsin Legislature, Democrats have repeatedly introduced legislation to increase the minimum wage in the state. It has, unfortunately, not gathered any momentum on the other side of the aisle. However, I am optimistic that the tide will begin to turn in favor of workers soon. The well-being of our citizens depends on them being able to comfortably afford food, water, and shelter. That begins with doing our best to pull people out of poverty.

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