



WISCONSIN DEPARTMENT  
*of* HEALTH SERVICES

# Governor's Health Equity Council

Structural Funding Inequities  
Subcommittee

November 12, 2021



# Purpose

## **Develop recommendations focusing on issues of**

- Financing shortfalls in health care accessibility
- Failures in government assistance programs
- Opportunities for preventative health care

## **Today:**

- Overview of two recommendations on economic security
- Listen and collect input
- Q & A

# Overview

## Policy Pathways

Executive (Governor)

Agency  
(Dept. of Health Services)

Biennial Budget

Legislative (Law-making)

## Guiding Criteria

Achievable through one of our policy pathways.

Reflect a commitment to equitable and just practices across all sectors of society

Directed at structural and systemic levers, not individual behavior

Actionable

## Prioritization

Generated 20 ideas

Narrowed down to 5 ideas

# Recommendations focused on ECONOMIC SECURITY

**Raising the minimum wage**



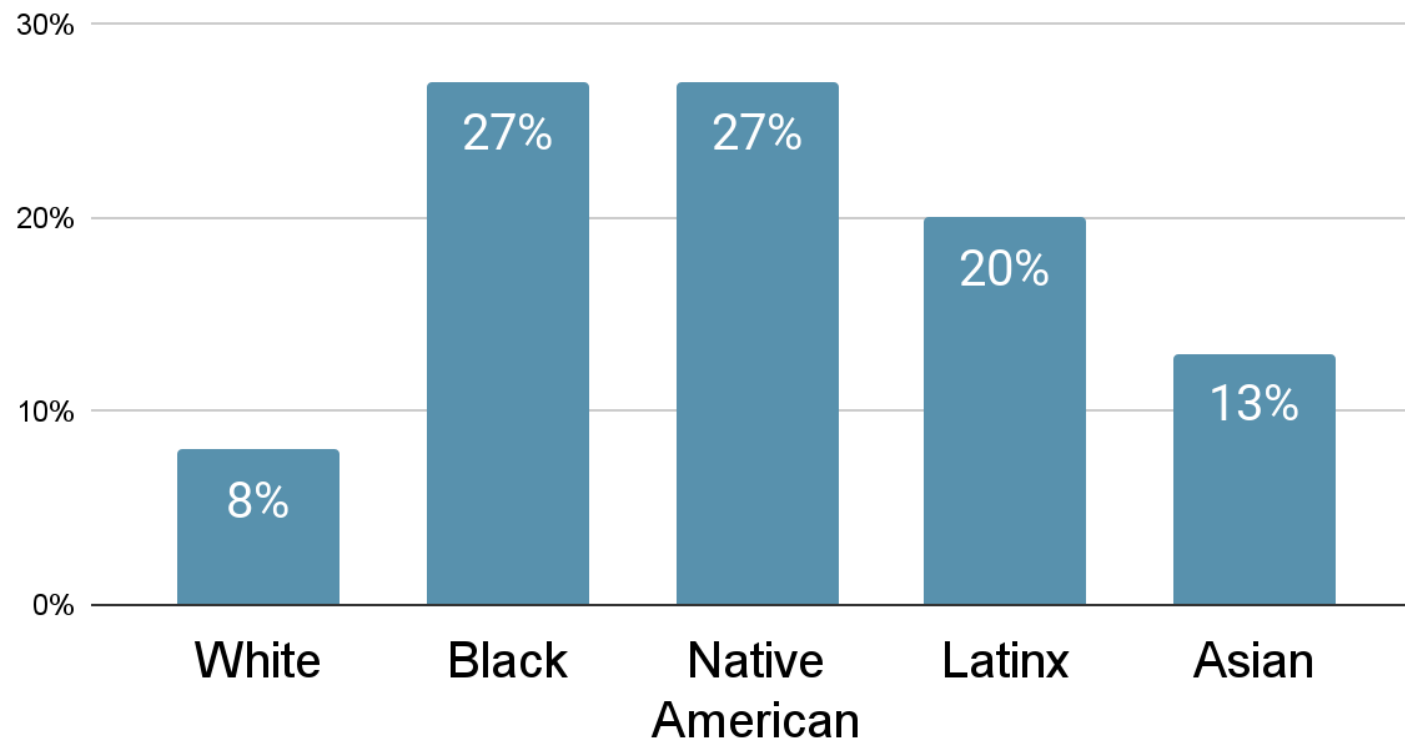
**Expanding the state  
Earned Income Tax Credit (EITC)**



# Raising the minimum wage

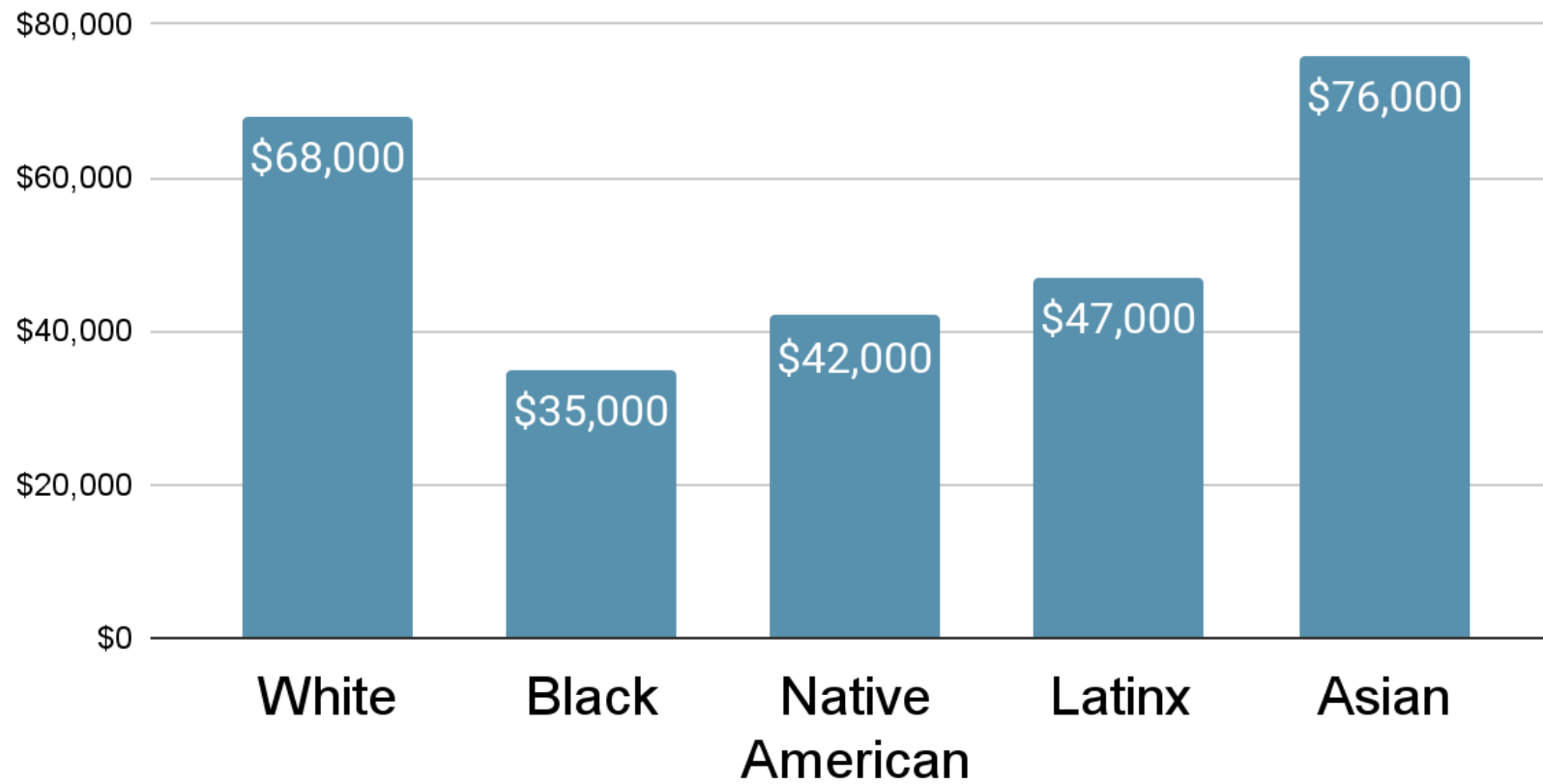
## Economic Hardship in Wisconsin

Poverty Rates by Race and Ethnicity in Wisconsin



# Raising the minimum wage

Typical household income in Wisconsin





# Raising the minimum wage

## **Improves Health and Reduces Disparities**

- Reduces stress associated with economic hardship
- People are more likely to have the resources they need to improve health
- Associated with a wide range of positive health effects

# Raising the minimum wage





# Raising the minimum wage





# Raising the minimum wage

## Context

- WI's minimum wage has lost purchasing power
- Most states have higher minimum wages, including “red” states
- Link minimum wage to increases in cost of living
- Real-world effects

# Raising the minimum wage

## Implementation

- Would need to be a law
- Phased in, and by 2025
- Tipped minimum?
- Enforcement



# Expanding the state EITC

## **Benefits of Earned Income Tax Credits (EITCs)**

- Increased workforce participation
- A major boost to family health and well-being
- Reduced low-birthweight babies  
(especially for black mothers)

# EITCs are much larger for custodial parents than for other adults

## Maximum federal EITC amounts

Tax filer	Maximum federal credit
Single parent with 3 kids	\$6,660
Single parent with 2 kids	\$5,920
Single parent with 1 child	\$3,584
Childless adult (2020)	\$538
Childless adult (2021)	\$1,540

# The 2021 increase for “childless adults” helps lift them out of poverty

Example: A 25-year-old cashier working roughly 30 hours/week at \$9 an hour.

Gross income	\$13,500 (30 hrs/wk. X 50 weeks X \$9/hr.)
Federal income tax	- \$130
Payroll tax	- \$1,048
2020 federal EITC	+ \$160
2020 net income	<b>\$12,482</b>
Federal poverty level 2020	\$13,261
2021 federal EITC	+\$1,116
2021 net income	<b>\$13,598</b> (\$29 above the 2021 poverty line)

# The WI EITC, unlike the federal credit, doesn't include adults without dependent children

- 30 states have their own EITCs
- Of those, only Wisconsin excludes adults who don't have dependent kids
- Roughly 300,000 WI adults would benefit by remedying that exclusion

# Recommendations and implementation

- We need to promote use of the federal credit
- WI should also have an EITC that doesn't discriminate against adults without dependent children
- Preferably it should be a percentage of the federal credit
- A state credit of 30% of the federal would provide up to \$460/yr in supplemental income



# Questions or comments

**Raising the minimum wage**



**Expanding the state EITC**



For more information: [\*\*Governor's Health Equity Council\*\*](#)



# Thank you