



Hawai'i KIDS COUNT

E-Bulletin

January 2017 Issue

Center on the Family | University of Hawai'i at Mānoa-CTAHR

IN THIS ISSUE

Top 10 Reasons Why Hawai'i Needs Paid Family Leave

The Working Family Credit: A Wise Investment in Hawai'i's Children and Families

The 2017 Hawai'i's Children's Policy Agenda

Introducing Dr. Kathleen Tran Gauci, Hawai'i KIDS COUNT/Center on the Family Coordinator

TOP 10 REASONS WHY HAWAII NEEDS PAID FAMILY LEAVE

Over the last few months, Hawai'i KIDS COUNT and its partners have shared a number of resources on paid family leave policy. The Hawai'i KIDS COUNT latest fact sheet features the *Top 10 Reasons Why Hawai'i Needs Paid Family Leave*. Paid family leave would help workers in our state balance work and family life by providing job protection and wage replacement for employees who need to take time off to care for a new child or sick family member. Paid family leave is important in Hawai'i for a variety of reasons, ranging from the need to keep up with changing demographics of the paid labor force to supporting families' overall wellbeing to the benefits for businesses and the economy. Check out the fact sheet http://uhfamily.hawaii.edu/publications/brochures/042ea_Top_10_Basics_Factsheet_01252017.pdf to learn more.

This fact sheet on paid family leave and other resources aimed at raising awareness of this important policy are provided by a partnership of the Hawai'i KIDS COUNT project, the Hawai'i Children's Action Network, and the Hawai'i State Commission on the Status of Women. We will provide more data, issue briefs, fact sheets, advocacy tools and other resources over the next few months. To learn more and get involved in supporting family leave policy, visit our respective websites at the links below.

Hawai'i KIDS COUNT: <http://uhfamily.hawaii.edu/projects/kidscount/home.aspx>.

Hawai'i Children's Action Network: http://www.hawaii-can.org/paid_family_leave.

Hawai'i State Commission on the Status of Women: <http://humanservices.hawaii.gov/hscsw/>.

Top 10 Reasons Why Hawai'i Needs Paid Family Leave
FACT SHEET #2

- Current Policies are Failing Many of Hawai'i's Families**
Under the Federal Family and Medical Leave Act (FMLA), eligible workers in businesses with 50 or more employees can access job-protected unpaid leave for family and medical reasons. Some states, including Hawai'i, have their own medical and family leave laws. The Hawai'i Family Leave Law (HFL) provides job-protected leave for up to four weeks but the leave is unpaid and is not available to all employees. Through the Temporary Disability Insurance (TDI) Program in Hawai'i, employees can take limited paid leave to care for their own sickness or injury. However, TDI does not allow time off to care for family members.
- Demographics of the Paid Labor Force are Changing**
Women make up about half of the labor force in Hawai'i and more women with children under six years old are in the workforce than ever before. The majority of single parents work and in over half of married couple families, both parents work. In addition, many older adults continue working due to concerns about economic security. In Hawai'i, about 31% of adults 60 years and older participate in the labor force. Working parents and older employees need paid family leave to be able to address family members' health needs.
- Paid Family Leave Improves Children's Health**
Children's health improves when parents can take time off work to bond with and care for a new child without worrying about reduced income. Increased access to paid family leave is linked with higher birthweight, longer periods of breastfeeding, and reduced infant mortality. Paid family leave also increases fathers' involvement in children's lives. Research further shows that recovery is quicker and hospital stays are shorter when parents have adequate time to care for seriously ill children.
- Paid Family Leave Supports Family Economic Wellbeing**
New parents are less likely to lose their jobs or drop out of the labor force when they have paid family leave, which helps ensure financial stability for families. New mothers who take paid family leave remain connected to the workforce and are more likely to experience wage increases after a child's birth. Parents who take paid family leave are also less likely to rely on public assistance after the birth of a child.
- Hawai'i's Older Population is Growing**
As the population of people age 65 and older in Hawai'i continues to increase, so does the demand for caregiving. It is not uncommon for Generation X families to face the combined pressure of caring for their children and aging parents and relatives. Many older people rely on their adult children to care for them during a medical crisis, which creates financial strain on employees who lose income or risk their job to temporarily care for a sick parent.

What is Paid Family Leave?
Paid family leave provides job protection and wage replacement when employees need to take time off to care for a new child or family member with a serious illness.

Balancing Work and Family Life
Nearly all workers need to take time away from work at some point to care for a new child or a seriously ill family member. Employees in Hawai'i do not have any legal right to paid family leave, and most cannot take unpaid leave and still maintain financial stability given the high cost of living in our state. A paid family leave program that is available to everyone, regardless of where they work, can provide families with job protection and the flexibility to meet their needs without losing pay.

THE WORKING FAMILY CREDIT: A WISE INVESTMENT IN HAWAII'S CHILDREN AND FAMILIES

The federal Earned Income Tax Credit (EITC) is one of the nation's most effective anti-poverty measures, lifting millions of Americans out of poverty each year by allowing them keep more of what they earn. Despite its effectiveness, earnings plus the federal tax credit do not guarantee an escape from poverty for all families struggling to make ends meet. In many cases, state-level EITCs have helped to fill that gap across the country. Unfortunately, Hawai'i remains one of 24 states without this important working family credit.

Growing up in poverty and economic hardship can have long-lasting consequences for children. Decades of research have documented the association between poverty and negative health, developmental, and education outcomes for children. A growing body of research also documents important links between the tax credit (both at the federal and state-levels) and family and child well-being, such as improved maternal and infant health, greater educational achievement and attainment, and better employment and economic outcomes when children reach adulthood.

A state EITC can leverage the associated benefits of the federal credit and further combat poverty and economic hardship among working poor and low-income families. In a state where low-income residents pay more state and local taxes as a share of their income than higher-income residents, a refundable credit against state income taxes would also contribute toward keeping the tax system fair.

Legislation calling for the establishment of the working family credit will be introduced during the 2017 session. We invite you to learn more about how a state EITC will benefit Hawai'i's children and encourage you to download an issue brief that we released early in 2016 on this important policy (see http://uhfamily.hawaii.edu/publications/brochures/56ec9_EITC.pdf). The Hawai'i Appleseed Center for Law and Economic Justice offers a number of additional resources on the working family credit. To learn more about the policy and how you can support a working family credit in Hawai'i, please visit Hawai'i Appleseed at <http://hiappleseed.org>.

HOW A STATE EARNED INCOME TAX CREDIT WOULD BENEFIT HAWAII'S LOW-INCOME FAMILIES AND CHILDREN

The Federal EITC

For too many of our families, having a job does not necessarily translate into financial stability. Many of Hawai'i's parents work but earn too little to provide adequately for their families given the high cost of living in the state, and too many working families live on the edge of poverty.

The federal Earned Income Tax Credit (EITC) has long been recognized as one of the nation's most effective anti-poverty measures, lifting millions of Americans out of poverty each year by allowing them keep more of what they earn.¹ The tax credit targets low-income and moderate-income families and is credited with encouraging work and supporting children's development through various stages of life.² Despite the effectiveness of the federal EITC in reducing poverty among working families, earnings plus the federal tax credit do not guarantee an escape from poverty for all families struggling to make ends meet. In many cases, state-level EITCs have helped to fill that gap across the country. Unfortunately, Hawai'i remains one of 24 states without a state EITC.³ In a state where low-income residents pay more state and local taxes as a share of their income than higher-income residents,⁴ a refundable credit against state income taxes would contribute toward keeping the tax system fair. A state EITC equal to at least 10% of a filer's federal EITC would also be a highly cost-effective way to help many of Hawai'i's low-income families meet their basic needs with their own income.

Figure 1. Hawai'i Families with Related Children That Are Below Poverty by Family Type, 2014⁵

| Hawai'i | Number | Percent |
|-------------------------|--------|---------|
| All families | 12,000 | 12% |
| Married couple families | 7,000 | 7% |
| Single parent families | 10,000 | 10% |

The EITC and Family and Child Well-being

Growing up in poverty and economic hardship can have long-lasting consequences for children. Decades of research have documented the association between poverty and negative health, developmental, and education outcomes for children.⁶ For example, children raised in families at or near the poverty level are more likely to be born with low birth weight, experience poor health, have limited access to high-quality child care and education, have lower academic achievement scores, and experience behavioral problems, grade failure, and drop-out.⁷ The effects of poverty build over time, with consequences at one stage impeding progress at a later

The credit varies by a taxpayer's filing status and number of children and is fully refundable, meaning that any amount beyond the taxpayer's liability becomes a payment. The amount of the credit increases with annual income and it reaches a maximum level when a taxpayer's earnings continue to grow eventually phasing out at higher income levels. In 2015, working families with children also have annual income taxes (mostly \$20,000 to \$33,300 depending on marital status and the number of dependent children) that may be eligible for the credit.⁸

In the 2015 tax year, the most recent year for which data are available, over 27 million working families and individuals received the federal EITC in Hawai'i, 100,000 tax filers claimed the federal credit.⁹ Across the nation, the average EITC was \$2,074 in 2015 for a family with children increasing wages by about \$204 a month.¹⁰ In Hawai'i, the average EITC was \$3,129 for a family with one child, \$3,174 for a family with two children, and \$3,716 for a family with three children.¹¹

THE 2017 HAWAII'S CHILDREN'S POLICY AGENDA

On January 17, 2017, the Hawai'i Children's Action Network launched the 2017 *Hawai'i Children's Policy Agenda*. The policy agenda reflects the input of over 50 organizations and individuals committed to improving the lives of Hawai'i's children, with policy recommendations focused on economic security and equity, family strengthening, child safety, health and wellness and education.

The 2017 *Hawai'i Children's Policy Agenda*, as well as information on how you can advocate on behalf of Hawai'i's keiki, can be found at: <http://www.hawaii-can.org/2017policyagenda>.



INTRODUCING DR. KATHLEEN TRAN GAUCI, HAWAII KIDS COUNT/CENTER ON THE FAMILY COORDINATOR

The Center on the Family is pleased to announce Dr. Kathleen Tran Gauci as the new Hawaii KIDS COUNT/Center on the Family Coordinator. Dr. Gauci received her bachelor's degree at the University of California, Los Angeles in Psychology and Education, and obtained her PhD in Educational Psychology at the University of Hawai'i at Mānoa. While at UCLA, Dr. Gauci mentored youth from disadvantaged backgrounds by creating and presenting lessons about healthcare, and drugs and alcohol prevention. She also worked with children and families located in transitional homes, and provided them with resources and educational support. After moving to Hawai'i, Dr. Gauci became involved with several research projects that focused on early childhood development and education. She took the practical research experience that she gained and embedded them into her instruction when teaching undergraduate-level courses in Educational Psychology and Statistics. Dr. Gauci embraces opportunities to learn from various people and organizations, and enjoys getting involved with the community. She is excited to join the Center on the Family, and looks forward to working with partners of the center.



SUBSCRIBING:

You may subscribe to this newsletter by sending an email to kcadmin@hawaii.edu with the phrase "Subscribe to Hawaii KIDS COUNT E-Bulletin" in the subject field.

UNSUBSCRIBING:

If we have reached you in error or if you would prefer not to hear from us in the future, send an email to kcadmin@hawaii.edu with the phrase "Unsubscribe Hawaii KIDS COUNT E-Bulletin" in the subject field.

ARCHIVE OF E-BULLETINS:

PDF versions of our monthly e-bulletins are available at: <http://uhfamily.hawaii.edu/projects/kidscount/ebulletin.aspx>

Hawaii KIDS COUNT is funded by the Annie E. Casey Foundation. We thank them for their support, and we acknowledge that the findings and conclusions presented in the E-Bulletin are those of the authors alone and do not necessarily reflect the opinions of the Foundation.

CENTER ON THE FAMILY

2515 Campus Road, Miller Hall 103, Honolulu, HI 96822

Phone: (808) 956-4132 | Fax: (808) 956-4147 | Email: cof@ctahr.hawaii.edu

Facebook Page URL: www.facebook.com/HawaiiKidsCount

Twitter Page URL: www.twitter.com/hikidscount

