UNITED WAY
Michigan Association of United Ways

March 20, 2025

Dear Members of the House Economic Competitiveness Committee,

United Ways for decades have served thousands of households who earn too much money to qualify as "poverty" but too little to afford their basic needs – like child care, food, or housing. We call these community members "ALICE", meaning Asset-Limited, Income-Constrained, and Employed. By our latest estimate, more Michigan households than ever live below the ALICE threshold. While our state's population fell from 2021 to 2022, our latest report estimates that **over 100,000 more households found themselves below the ALICE threshold**, a 13% increase total from 2019.

Across Michigan, 47% of children live below the ALICE threshold, a reflection of households' struggles to keep up with the particularly high costs of raising children. We can achieve meaningful progress on bringing more households above the ALICE threshold if lawmakers prioritize boosting the incomes of as many families with children living below the ALICE Threshold as possible through refundable tax credits based on the number of children in their household.

The Michigan Association of United Ways believes that a state child tax credit will help us achieve the goal of bringing more households closer to and above the ALICE Threshold, and we support this concept. A state child tax credit would build on the progress made when we increased the Working Families Tax Credit (also known as the Earned Income Tax Credit).

Combined with state action and investment towards expanding access to essentials such as child care and housing, which are not only expensive but also increasingly unavailable, we can help every household meet the ALICE Threshold in Michigan.

Supporting ALICE will strengthen our economy and our communities. We look forward to working with you. We are available for your offices to learn more about the ALICE Report and about ALICE statistics in your own communities. Thank you for your consideration.

Sincerely,

Kaitlynn Lamie

Kaitlynn Lamie
President & CEO, Michigan Association of United Ways