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Create jobs, cut poverty

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By Kimble Forrister

"Anytime we create more jobs, we get more people off the unemployment rolls and out of poverty," Sen. Del Marsh said in a recent *Birmingham News* profile of Alabama Arise. We agree. That's why many items on Arise's agenda this year (and every year) are designed to achieve both goals.

Alabama does not have to choose between improving the economy and making life better for its most vulnerable residents. It can do both. Many of Arise's ideas to help low- and middle-income Alabamians would create hundreds of jobs in the near term. They also would strengthen the state's foundation for future growth and make Alabama a better place to live and do business for decades to come.

Our members' proposal to create a state Affordable Housing Trust Fund is one example of how low-income assistance and job creation can work hand in hand. The state needs more than 90,000 affordable homes to house people with extremely low incomes, according to the Low Income Housing Coalition of Alabama. The April 2011 tornadoes added to the shortfall of safe, decent and affordable housing, leaving 13,000 homes uninhabitable and damaging another 15,000.

An Affordable Housing Trust Fund could help provide safe, decent and affordable housing for thousands of these families by creating and maintaining homes for low-income Alabamians. These efforts would promote growth by helping to reduce community blight and by providing stability for people working to build better lives for themselves and their children. The trust fund also would help preserve or create jobs in the state's home construction and repair industries, which are struggling amid a slumping real estate market.

Public transportation is another Arise issue where help for low-income people overlaps with economic growth. Many Alabamians who are unable to drive or can't afford a car are largely cut off from a number of opportunities: jobs, health care, even visits to

friends and family. Despite those unmet needs, Alabama is one of only four states in the country that provide no state money for public transit.

With even a small state investment in public transportation, Alabama could receive tens of millions of dollars of federal matching funds it now leaves on the table each year. That money could create hundreds of good jobs for people to establish and maintain rail lines, bus routes and shuttle services. A wider range of transportation options would benefit employers by giving employees more reliable ways to get to work. It also would make Alabama a more attractive place for businesses to locate and expand.

Arise long has pushed for stronger investments in other core public structures, like education, health care and child care, that would improve Alabama's current and future business climate. More adequate K-12 and higher education funding could hold down growing college tuition costs and produce a more skilled labor force, one of the most important site selection factors for prospective employers. Medicaid, ALL Kids and other public health services help workers have longer, more productive careers and are essential components of the state's growing health care industry. More affordable, high-quality child care would allow more low-income parents to enter and stay in the workforce.

Alabama could build a stronger economy by modernizing its upside-down tax system, a deadweight pulling against thousands of families as they work hard to get ahead. The state's low- and middle-income households pay more than twice the share of income in state and local taxes that the richest 1 percent do, according to the Institute on Taxation and Economic Policy. Alabama also is one of only two states with no tax break for groceries. The state's outdated tax system taxes low-income people even deeper into poverty.

Ending the state sales tax on groceries and over-the-counter drugs, as Arise has proposed for years, would help bring Alabama's tax system into the 21st century. The state could offset that funding loss for education by limiting richer households' deduction of federal income taxes on their state tax returns.

These changes would cut taxes for the vast majority of Alabamians and pump \$325 million into the state's retail economy, fueling new consumer spending that would help create jobs. They also would be a big step toward a more sensible, more humane tax system.

Reducing poverty creates jobs and improves lives. That's why Arise is working hard on issue priorities that would strengthen Alabama's economy and make the state we love a better place for everyone.

Kimble Forrister is executive director of Arise Citizens' Policy Project, a statewide nonprofit, nonpartisan coalition comprising 150 congregations and organizations that promote public policies to improve the lives of low-income Alabamians.