

# COMMENTARY

Editorials, letters, columns and other opinions

## State EITC Benefits Economy, Small Businesses

Much of the talk surrounding the benefits of California's new Earned Income Tax Credit (EITC) is about how much it will help low-income workers and their families. There's a good reason for that: It is new money put directly in the pockets of the hard-working people who need it most.



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However, once that money is spent on basic goods and services, the great news spreads to local businesses, hometown communities, and the statewide economy as a whole. And that's why it's important to work together to make sure all eligible Californians file their tax returns and claim this credit.

A top priority for the state Assembly, the EITC was created last year when Gov. Jerry Brown and the Legislature agreed to budget \$380 million to pay for it.

Half of the nation's states have EITCs to supplement the federal EITC — which has been widely regarded as one of the most effective anti-poverty programs — but most state EITCs simply mirror the federal credit, providing a little bit more money to the same recipients.

In contrast, California's EITC complements the federal credit by targeting the very lowest earners with larger refunds. To be eligible, workers must make less than \$14,000 in annual income; recipients can earn credits



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of up to roughly \$2,600, depending on how much they make and the size of their families. The average credit will be worth about \$900. That's a significant boost for a struggling family.

At full effect, the state EITC would benefit nearly 1.5 million people statewide — around 120,000 in San Diego County.

Tax refunds for working families just make sense. The EITC will make a significant difference for many and bring in nearly \$400 million to our economy. That amount of money, put back into local communities, has a direct and positive impact on business. And when businesses thrive, our economy creates jobs, and everyone in our community wins.

While the EITC is a tax credit, it directly incentivizes work because it increases lower-paid employees' ability to provide more for their families.

This is why the EITC is so effective at breaking the cycle of poverty. The proven idea that more children will escape poverty and enjoy all the benefits that come with higher incomes — most notably better success in the classroom — is incredibly valuable to the business community down the road.

The more resources families have, the better kids do in school. The better kids do in school, the more skills they have to be part of the trained work-

force San Diego needs now and in the future.

Unfortunately, because many working families do not earn enough money to pay taxes, they don't file returns. But they're not required to have any tax liability in order to get a refund.

The San Diego Regional Chamber of Commerce is part of an extensive outreach campaign to enlist our members and other businesses in the San Diego region to educate their employees about the EITC and encourage them to file tax returns. There are several providers throughout San Diego that provide free tax preparation services for working families.

By not claiming the federal earned-income credits, lower-income Californians have missed out on as much as \$1.8 billion each year, depriving the economy of an estimated \$2.1-billion impact, according to a recent state-commissioned study. The new state EITC gives us one more reason to remind workers that these refunds are available to their families.

Community leaders and elected officials, business owners and advocates for the working poor, Republicans and Democrats — we all have a stake in this. So, let's spread the word, because the Earned Income Tax Credit is good for everyone.

Toni G. Atkins (D-San Diego) represents the 78<sup>th</sup> Assembly District and is Speaker Emeritus of the state Assembly. Jerry Sanders is President and CEO of the San Diego Regional Chamber of Commerce.

## BUSINESS CALENDAR | Upcoming Events

**Study Release: San Diego's Software Development Industry**  
Organization: San Diego Regional Economic Development Corp.  
When: 4-6 p.m., March 29  
Where: SkyBox at Diamond View Tower, 350 10th Ave., San Diego  
Info: <https://www.eventbrite.com>

**Business Women's Mega Mixer**  
Organization: Business Women's Mega Mixer  
When: 5:30-8 p.m., March 31  
Where: Bahia Resort Hotel, 998 W. Mission Bay Drive, San Diego  
Info: <http://businesswomensmegamixer.com>

**EvoNexus Demo Day**  
Organization: EvoNexus  
When: 5:30-8:30 p.m., March 31  
Where: Qualcomm Headquarters, Building N, Irwin M. Jacobs Hall, 5775 Morehouse Drive, San Diego  
Info: <http://evonexus.org>

**Early-Stage Valuation Workshop**  
Organization: Tech Coast Angels  
When: Noon-4 p.m., March 31  
Where: Barney & Barney, 9171 Towne Centre Drive, Suite 500, San Diego  
Info: [www.techcoastangels.com](http://www.techcoastangels.com)

**First Friday Breakfast**  
Organization: East County Chamber of Commerce  
When: 7:15 - 8:45 a.m., April 1

Where: Carlton Oaks Country Club, 9200 Inwood Drive, Santee  
Info: [www.eastcountychamber.org](http://www.eastcountychamber.org)

**Present to Influence**  
Organization: BIOCUM  
When: 8 a.m.-4:30 p.m., April 5  
Where: BIOCUM, Building N, Irwin M. Jacobs Hall, 10996 Torreyana Road, Suite 200, San Diego  
Info: [www.biocom.org](http://www.biocom.org)

**San Diego Happier Hours**  
Organization: CWI  
When: 4:30-7 p.m., April 5  
Where: Cape Town South African Restaurant, 7580 Miramar Road, San Diego  
Info: <http://connectedwomenofinfluence.com>

**Employment Law: Using Human Resources to Drive Results**  
Organization: CONNECT  
When: 8-11:30 a.m., April 6  
Where: CONNECT New Office, 4790 Eastgate Mall, Suite 125, San Diego  
Info: [www.connect.org](http://www.connect.org)

**Leadership, Power, & Politics**  
Organization: University of San Diego - Ahlers Center for International Business  
When: 6-9 p.m., April 7, 12, 14  
Where: University of San Diego 5998 Alcalá Park, San Diego  
Info: <http://tinyurl.com/hy6vfy>

**Water Policy in California**  
Organization: CFA  
When: 7:30-9 a.m., April 7  
Where: UC San Diego-Faculty Club, 9500 Gilman Drive, No. 0121, San Diego  
Info: [www.cfasociety.org](http://www.cfasociety.org)

**What I Learned With a Breadstick, a Ball and A Piece of String!**  
Organization: BEC  
When: 5-8 p.m., April 7  
Where: La Jolla Marriott, 4240 La Jolla Village Drive, La Jolla  
Info: <http://businessexecutives.org>

**An Inside Look at the San Diego Museum Of Art and The Old Globe**  
Organization: HBS Club of San Diego  
When: 5-10 p.m., April 7  
Where: The San Diego Museum of Art, 1450 El Prado, San Diego  
Info: [www.hbssandiego.org](http://www.hbssandiego.org)

Please verify scheduled events at listed websites.

To submit an event for possible inclusion, email the following information to Steve Adamek at [sadamek@sdbj.com](mailto:sadamek@sdbj.com): name, time and location of event; event host, event speaker(s) and/or description of event; cost of event; and a website where readers can find more information. If available, also include contact person and information.

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