

STACEY ABRAMS FOR GOVERNOR: THE GEORGIA ECONOMIC MOBILITY PLAN

Georgia has a strong economy for some but not all of us. Our state has lagged in equality and shared success — ranking among the top ten states for poverty rates with families struggling to meet their basic needs.¹ Nationally, 70% of children born at the bottom do not reach middle class in their adulthood.²

The Georgia Economic Mobility Plan will grow the economy for Georgians and focus on earnings, savings, skills and inclusion. It has five parts:

- **Earn:** Keep more money in the pocketbooks of working families through a Georgia Earned Income Tax Credit. Protect workers from wage theft to ensure wages earned are wages received. Secure equal pay for women through pay history reforms.
- **Save:** Create a Cradle to Career Savings Program for families. Encourage savings and credit-building through the Georgia FinLit Initiative: A Financial Literacy and Wellness Partnership.
- **Grow:** Bridge the skills gap with a focus on employability skills and adult literacy.
- **Include:** Expand employment opportunities for Georgians with disabilities.
- **Protect:** End workplace discrimination for all Georgians.

Who will this plan help?

This plan will help low and middle income families, Georgians who have low literacy skills, anyone struggling to save for retirement or college, those who need financial literacy skills and job skills, women who are paid less for doing the same work, individuals who experience workplace discrimination, and individuals with intellectual and developmental disabilities who want to enter the workforce. In addition, the plan will help hardworking people who are not receiving the wages they have earned — a problem called wage theft. This injustice comes in several forms like minimum wage violations, overtime pay violations, and the misclassification of workers as independent contractors.

What is the Earned Income Tax Credit?

An EITC encourages and rewards work by providing a refundable credit that increases with work effort for those with the lowest incomes and gradually declines for moderate-income workers. The credits focus mainly on workers with children who earn less than \$54,000 if married or \$48,300 if single, varying by number of children. This plan will put money directly in the wallets of Georgia families and back into our local economy.

What is the plan's Georgia FinLit Initiative?

Stacey Abrams for governor has proposed the Georgia FinLit Initiative, a public-private partnership that will work with nonprofits, foundations and employers to spread one-on-one financial coaching for Georgia workers. This has been proven to be more effective than group classes, where people may be less likely to share their personal financial concerns.

Why is financial literacy important?

Savings are key to breaking through intergenerational poverty. Low-income children whose parents save are more likely to climb the economic ladder.³ Savings act as a personal safety net, thereby reducing financial stress and promoting economic mobility.

What is the plan's Cradle to Career Savings Program?

Georgia already supports upper-income families as they save for their children's college, but families at the low-end of the income spectrum are less likely to take advantage of those benefits. The Cradle to Career Savings Program will create an account for children of working poor families at birth and seed an initial investment that's dedicated to post-secondary education expenses. We will work with community partners and funders to provide additional savings incentives through matching contributions.

How will the savings program help?

Research has shown that child savings accounts improve attitudes and outcomes—leading to greater college-going and completion rates.⁴ Small amounts make a big impact. One study found that low to moderate-income children with even a small dollar school savings account (i.e. less than \$500) were three times more likely to enroll in college and four times more likely to graduate.⁵

How will this plan tackle workplace discrimination?

The plan will address workplace discrimination – including harassment based on race and gender – by championing robust anti-discrimination laws, improving harassment protections within the executive branch, working with legislators to define rules of conduct and conduct clear pathways for complaints, require sexual harassment programs and training, ensure appropriate penalties, and reform the Georgia Commission on Equal Opportunity into the Georgia Commission on Human Rights. This restructured commission will have the ability to set clear pathways for harassment complaints, be a referral point for Georgia workers, and oversee mediation or investigations into harassment for those workers who do not fall under federal purview.

Does Stacey Abrams have experience supporting economic mobility?

Stacey Abrams is an entrepreneur who has helped small businesses in Georgia create and retain thousands of jobs. As a nonprofit leader, she employed low-income Georgians to help sign up their communities for health care and register under-served communities to vote. During her tenure as Georgia House Minority Leader, she developed and promoted policy solutions to serve our families. Abrams received Friend of Labor Award from the Georgia AFL-CIO and has been endorsed by the Georgia AFL-CIO, the Working Families Party, and several Georgia unions.



ENDNOTES:

1. U.S. Census Bureau, American Community Survey.
2. Note: Seventy percent of Americans raised in the bottom two income quintiles do not move to the middle income quintile in adulthood. <http://www.pewtrusts.org/~media/assets/2013/11/01/movingonuppdf.pdf>
3. <http://www.pewtrusts.org/~media/assets/2013/11/01/movingonuppdf.pdf>
4. Reviewed in: https://static.newamerica.org/attachments/1657-childrens-savings-accounts/CSAEvidenceImplicationsFINAL6_14.pdf
5. Elliott, William *et al.* (2013) "Small-dollar children's savings accounts and children's college outcomes by income level." *Children and Youth Services Review* 35(3), 560-571.

