



## GUEST OPINION

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### **A Better Iowa: Minimum wage EITC, both need boosts**

*An EITC increase alone won't help families make ends meet*

**By Mike Owen**

When the spin starts against a minimum wage increase, you have to stop it long enough to see what's really happening.

Case in point: Steve Hensley's column ([Explore tax credits before minimum wage](#), Feb. 6) suggesting the Earned Income Tax Credit is a replacement for discussion on the minimum wage.

In fact, we need both a higher EITC and a higher minimum wage. Achieving both would help workers and the economy overall, as buying power improves.

Hensley seems to be missing at least three key parts of the equation.

First, the minimum wage is focused on workers already being left behind by the marketplace. At a \$12 minimum wage, some 436,000 Iowa workers would see a benefit, with the vast majority of them working full time. Clearly, then, the marketplace is not setting a wage anywhere near what many workers need to get by.

Second, the EITC — indeed a valuable program to augment moderate- and low-income employment — reaches beyond those who would be affected by a minimum wage increase. And more funds would be available to improve it if more employers were paying appropriate wages, because affected workers would need less of an EITC benefit.

Finally, it is hard to pass EITC improvements. Putting all our eggs in that basket is very risky for low-income working families, who might never see it pass. Gov. Terry Branstad only begrudgingly signed the last state boost in the EITC because it was part of a larger deal for property-tax cuts. He hardly takes credit for it, even though it may have been his most positive achievement for working families in the last five years.

As Iowa lags behind 29 states that already have raised the minimum wage above the pathetically low \$7.25 that Iowa set eight years ago, let's focus where we can make a difference quickly. That's why [Johnson County moved ahead on its own](#), and why Linn County is looking at it. A statewide solution would be best, and Iowans overwhelmingly support it.

There are many pieces in the puzzle to getting Iowa families to a family-supporting wage, which Iowa Policy Project research has shown to be well above most proposals for the minimum.

So, after we raise the minimum wage to an adequate level and index it to inflation so we don't have to be distracted by these debates every few years, we can take further steps to support work. A higher minimum wage can reduce the cost to taxpayers of those other steps, such as the EITC and child care assistance, which bring families closer to what they need to get by.

Raise the wage, raise the EITC. It's a win-win for low-wage workers and our economy.

*Mike Owen is executive director of the nonpartisan Iowa Policy Project in Iowa City. Comments: [mikeowen@iowapolicyproject.org](mailto:mikeowen@iowapolicyproject.org).*