

**Michelle
Lujan Grisham
Howie Morales**



FIGHTING POVERTY IN NEW MEXICO: A 7-STEP PLAN TO CREATE ECONOMIC SECURITY FOR EVERY NEW MEXICAN

Approximately one out of five New Mexicans lives in poverty. The situation is even worse for Native Americans (35%) and Hispanic Americans (23%). The status of children in New Mexico is particularly daunting, with one out of every three children living in poverty – the worst in the nation.

New Mexico has one of the highest unemployment rates in the country, and a lack of opportunity certainly contributes to this high rate of poverty. But living under or near the poverty line doesn't mean people aren't working -- working New Mexicans can also struggle to make ends meet. Over 30% of New Mexicans work in low-paying jobs, and 42% of our working families live under 200% of the poverty level of \$48,000 per year -- the US Census' average threshold for a family of four to be able to afford basic necessities -- making this the second worst rate in the country.

Thousands of our families live paycheck-to-paycheck and are one big medical bill or other emergency away from falling into poverty.

Many New Mexicans work several low-paying jobs for long hours with no time off if they or family members get sick. For parents that means less time helping kids with homework, preparing healthy meals, or returning to school to improve or gain new work skills.

Two proposals that I released earlier in the campaign, [Jumpstart New Mexico](#) and [Build New Mexico](#) focus on job creation and economic growth, and my education plan for [grades Pre-K through 12](#) will make sure that all New Mexicans have the foundation they need. But in order for us to build a vibrant, strong economy in our state, we must find ways to engage those New Mexicans who have been left behind. We can have a direct, positive impact on those families in need if we work together to:

- **Support working families** by raising the minimum wage and increasing the Working Families Tax Credit.
- **Foster financial stability and growth** by helping families grow their assets and strengthening consumer protections.
- **Create a clear ladder out of poverty** by ensuring that public benefits like the Supplemental Nutrition Assistance Program (SNAP) and Child Care Assistance are helping people achieve financial stability.
- **Ensure that people are healthy enough to work** by improving access to affordable healthcare, including behavioral health and addiction treatment, as well as family planning services.

RAISE THE MINIMUM WAGE FROM \$7.50 TO \$12 PER HOUR STATEWIDE OVER THE NEXT FOUR YEARS, AND THEN INDEX FOR INFLATION

The state's current minimum wage - \$7.50 per hour - has not been raised since 2009. While the costs of basic necessities have gone up over the last 8 years, the income of approximately 112,000 minimum wage workers has remained stagnant. Despite a strong effort by the NM State Legislature in 2017 to raise the minimum wage to \$9 per hour, Governor Martinez vetoed the bill. Meanwhile, in 2017, at least 19 states across the country raised their minimum wages to help working families.

One out of every ten children in New Mexico lives in a minimum wage household. Almost 60 percent of those who would be directly impacted by an increase in the minimum wage are

families with income less than \$40,000.

As Governor, I will work with the legislature to raise the minimum wage to \$10 per hour in 2019, and to \$12 an hour over the next four years and then indexed for inflation, to provide an essential boost to tens of thousands of families working to lift themselves out of poverty.

EXPAND THE NEW MEXICO WORKING FAMILIES TAX CREDIT

The Working Families Tax Credit (WFTC) – complementing its federal equivalent the Earned Income Tax Credit – has helped 40,000 New Mexico families stay out of poverty. Nevertheless, at 10 percent of the EITC, the WFTC is below the national average of states with a similar credit. We should raise the WFTC and help lift even more New Mexican families out of poverty.

In addition to increasing the size of the credit, we must work together to help lower-income New Mexicans take advantage of the program. As governor, I will partner with non-profit and local government agencies to vastly expand tax preparation programs to help low-income New Mexicans file for this credit, and raise awareness about the WFTC.

ENABLE FAMILIES TO BUILD WEALTH

To achieve long-term stability, families must build up a safety net for emergencies and build wealth over time. New Mexico has several non-profit based programs that could expand by partnering with the state government.

Child Savings Accounts, or CSAs, are a proven means of combining financial education with incentives for economically disadvantaged youth to save money. These programs create accounts for children and provide annual matching contributions over a multi-year period. Research on these programs demonstrates positive effects on student's reading and math scores, their social emotional learning, and parent's expectations about their children going to college. New Mexico needs to make a bold investment in children living in poverty by dedicating funds to Child Savings Account programs to help put these children on the path to higher-education.

Individual Development Accounts, or IDAs, can also help individuals and families build their savings to achieve financial goals like setting up a rainy-day fund or to make big purchases through matching and other incentives. Participating in IDA programs have shown to improve long-term rates of homeownership and reduce reliance on other public benefit programs. We need to expand these programs to help more families work towards their long-term financial goals.

Families can succeed when they have access to capital, choice and connections. We need to expand programs that work to support networks of families and friends as they work together to improve their finances, housing, careers, and education. Through programs like peer support groups and financial rewards, families work to achieve things like improvements in children's grades and growing family savings. Programs like these have demonstrated increased household income and savings among participating families, and better attendance and grades for their children.

These are the types of programs that deserve to be replicated in every disadvantaged community in New Mexico.

PROTECT VULNERABLE FAMILIES FROM PREDATORY LENDERS

Families in unstable economic conditions are often victims of predatory lending. Predatory lending keeps New Mexico's needy families locked into a downward spiral of debt. New Mexico must further strengthen consumer protections, prohibit unconscionable interest rates, and crack down on the predatory behavior of certain lenders. New Mexicans need access to credit, but they need loans that are reasonable and affordable, not loans they cannot repay and will lure them into ever-increasing debt. Nearly one in three consumers in New Mexico have tax liens or debt judgments or have been referred to a collections agency.

My administration will also crack down on predatory lenders who charge outrageous rates for

Refund Anticipation Loans for tax refunds for families receiving Earned Income or Working Families Tax Credits. We will also work to speed up the tax refund time frame to less than two weeks from time of electronic filing.

CREATE A CLEAR LADDER OUT OF POVERTY

Right now, low-income working families are sometimes disincentivized to climb the ladder at work - a phenomenon sometimes called the “cliff effect.” As they earn more through pay raises or additional hours, they may make enough money to no longer qualify for Child Care Assistance or other benefits like Supplemental Nutrition Assistance or Medicaid, but not enough to afford childcare without the subsidies. In fact, families could see their monthly child care payments jump from just over \$600 per month to more than twice that (\$1,297 per month) if their annual income were to rise by just \$200. Families may be forced to decline the pay increases, in order to protect their access to child care assistance.

Other states like Colorado, Nebraska, Pennsylvania, Maine and Illinois have “smoothed out” the transition so that Child Care Assistance payments are gradually reduced as the recipients’ income grows over time. Child Care Assistance is critical to having a ready workforce and an economy that supports the engagement of every worker.

We need to eliminate the “cliff effect” and create a clear upward ladder out of poverty. Families should be able earn more, keep their kids in high quality childcare, and not only stay in the workforce, but continue moving up in their jobs.

RENEW THE FIGHT AGAINST HUNGER

In 2014, New Mexico invested \$30 million into SNAP while the Federal government invested \$629 million - every dollar invested by the state was matched by \$20 from the federal government. Moreover, every \$5 in new SNAP benefits generates up to \$9 in economic activity. SNAP helps to feed hungry families at a very low cost to the state of New Mexico, while generating new economic activity. Most nondisabled families (58%) on SNAP work while receiving benefits; significantly more than 80% worked within the year before or after receiving SNAP, demonstrating that people rely on SNAP while between jobs. During my time in Congress, I have fought to defend SNAP from massive cuts that would have affected one-quarter of all New Mexicans. But SNAP is being threatened from within the state, as well.

The Martinez Administration tried to impose a three-month time limit on low-income families’ eligibility for the Supplemental Nutrition Assistance Program (SNAP), which provides non-cash benefit cards for families to make essential food purchases. As a result, 17,500 New Mexicans would have been without food. This legislation was struck down in federal court, and as Governor, I will immediately lift the Martinez’s administrations’ wrong-headed time limit on low-income families’ eligibility for SNAP food assistance.

INCREASE ACCESS TO AFFORDABLE FAMILY PLANNING SERVICES

Access to affordable healthcare is critical to workers’ and families’ economic security. My healthcare plan will address this link and a comprehensive strategy to reduce costs and improve services for every New Mexican. Of all the barriers to access to affordable healthcare, family planning services play a disproportionate role in women’s educational and economic opportunities. These services are under attack from the federal government, and we need to ensure that they are protected and we continue to allow New Mexico women the opportunities they need to succeed.

Research shows that access to family planning leads to better educational and economic outcomes for parents and their children. Access to affordable health care and contraceptives provided by family planning services is critical -- parents can’t plan their careers if they can’t plan their families.

As Governor, I will fight all restrictions the Trump administration is seeking to impose on family planning and protect and increase access to these services and to family planning providers who

provide young men and women with family planning and other low-cost basic health care services.

Paid for by New Mexicans for Michelle, William Sisneros Treasurer