



Michigan League FOR Human Services

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MLHS: Use federal funds for those hurt most by recession *Spend Recovery Act money wisely and openly, group urges*

With at least \$15 billion in federal stimulus money coming to Michigan, the Michigan League for Human Services today urged state policymakers to invest in programs that will offer economic opportunities to unemployed workers and low-income families.

The group said the money should be spent in ways that will both stabilize the economy and aid those most hurt by the recession. Recent suggestions that the money from the American Recovery and Reinvestment Act (ARRA) be used to finance business tax cuts should be rejected. Research has shown that would have less of an effect on the state's economy, the group said.

“We must spend this money wisely, and we must spend it soon. This is an opportunity we simply can't afford to squander,” said Sharon Parks, Michigan League for Human Services president and CEO. “This recovery money must be used to help those who need it the most. It just makes sense because we know that targeting people in need, not tax cuts, is the most sure-fire way to stimulate our sagging economy.”

MLHS will be calling on state leaders to use a set of principles developed by the national Working Poor Families Project and endorsed by 20 national nonprofit groups. *Principles for State Implementation* urges states to:

- Create jobs that pay a family-supporting wage and provide health insurance;
- Make sure that a portion of the jobs created go to low-skilled or low-income workers to move them to self sufficiency;
- Invest in infrastructure in Michigan's most distressed communities, offering opportunities for residents in those areas to work on the projects; and

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- Support training programs for low-skilled workers, who are far more likely to be out of work during a recession. Programs should be tied to high-growth sectors, such as the model in Michigan's No Worker Left Behind that trains dislocated and low-income workers for nursing and other high-demand fields.

“We must make sure at least a portion of this spending is directly targeted at jobs and training for low-skilled adults and the unemployed,” said Karen Holcomb-Merrill, director of the state fiscal project. “That will ensure that the money is well spent on our future.”

The principles also call for open, efficient and accountable spending. Among principles offered are:

- Allocating spending to meet specific goals, such as job creation and job preservation;
- Using a competitive process to increase fairness and avoid cronyism;
- Requiring reporting of how stimulus funds are spent and how they are meeting goals; and
- Adjusting state policies to take advantage of the funds, such as increasing outreach to ensure eligible Michigan residents receive benefits including child care, food stamps and cash assistance.

The Michigan League for Human Services is affiliated with the Working Poor Families Project, a national initiative to improve state policies to benefit low-income workers and their families. *Principles for State Implementation* were developed by the Working Poor Families Project and have been endorsed by 20 national nonprofit groups concerned about the effective implementation of the ARRA. For more information, go to www.workingpoorfamilies.org.

The Michigan League for Human Services is a statewide, nonprofit and nonpartisan advocacy group for low-income residents. It has more than 1,500 members from business, labor, human services professions and faith-based organizations as well as concerned citizens.

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