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Does work pay these days?

Several neighbors have looked for a job through Oakdale Neighbors' **Job Club** over the last couple of months. But...will a minimum wage job meet the needs of the family? In 1970 you could work your way out of poverty with a minimum wage job. In 2005 you wouldn't get close. In poverty, your family of four could live by this simple budget:

	<u>MONTH</u>	<u>YEAR</u>	
<i>Rent</i>	\$650	\$7,800	Modest 3 bedroom apartment
<i>Food</i>	\$400	\$4,800	\$1.11 per person per meal
<i>Car (or bus)</i>	\$200	\$2,400	Insurance, maintenance, gas, replacement cost
<i>Clothes</i>	\$50	\$600	\$145 per person per year including laundry
<i>Utilities</i>	\$150	\$1,800	Gas, electricity, water, telephone
<u>Payroll Taxes</u>	<u>\$120</u>	<u>\$1,440</u>	Social Security and Medicare
TOTAL	\$1,570	\$18,840	

The budget doesn't look too bad, until you realize that it includes **no money** for healthcare, childcare, household goods, furnishings, appliances, or savings—let alone gifts, entertainment, vacations, or travel.

Living in poverty isn't easy. Making ends meet with a minimum wage job is even more difficult. Working full time in a minimum wage job generates just over half of the \$19,350 needed to "escape" poverty. Oakdale Neighbors hosts a Job Club because we are convinced that productive, positive work is inherently valuable. It provides a sense of worth as well as necessary goods and services for society. But we also want to make sure that work PAYS!

The EITC at Oakdale Neighbors

One useful (or necessary) opportunity for low income families is the Earned Income Tax Credit. The EITC is money provided to working families after they have filed their tax return. Most credits are about \$1,500, but they can be over \$4,000 for families with two children. The EITC rewards families for working hard, helps them acquire productive assets, and reduces both poverty and income inequality in our neighborhood.



Their work is now covered by snow, but 15 teenagers helped landscape the Oakdale Neighbors' gathering spot last summer. Look for the perennials again in the spring!

Discovering, Developing, and Connecting Skills and Resources
 for a Neighborhood of Vitality and Grace

www.oakdaleneighbors.org

Unfortunately, many poor families do not secure the tax credits they deserve. The Michigan Treasury estimates that 1,800 families in Grand Rapids **do not receive the EITC** even though they are eligible for it. Other poor families receive the credit but only by paying for expensive tax preparation services.

Oakdale Neighbors will be helping to change this situation!

Several volunteers are currently being trained to provide **free** tax preparation for low income families. Soon Oakdale Neighbors will be making tax appointments for February, March, and April. We anticipate helping over 100 hard-working individuals to access over \$100,000 for the support of their families and community.

We urge you to join us in this exciting work. Two thousand years ago Jesus moved into our neighborhood with a costly—but life-changing—gift. Your investment in the Oakdale Neighborhood is much appreciated.

Providing tax preparation and other community-building services costs Oakdale Neighbors about \$5,000 per month. A study in Michigan has shown that the financial impact of every dollar spent on providing free tax preparation services is about \$15—not a bad return on your investment!

In his love,

Tom Bulten, Director
Oakdale Neighbors

