

House Labor and Commerce: Ladder Out of Poverty Task Force (HF 2062)

March 2, 2010



Thank you Mr. Chair and Members of the Committee. My name is Alexandra Fitzsimmons and I am the Policy Director for the Minnesota Catholic Conference. The MCC is the public policy voice of the Catholic Church in Minnesota, representing the dioceses of Crookston, Duluth, New Ulm, St. Cloud, Winona and the Archdiocese of St. Paul and Minneapolis.

I am here today to speak in support of Representative Lanning's bill - House File 2062 – which creates the Ladder Out of Poverty Task Force. We are very excited about this bill and its potential to help so many of our neighbors build for the future! This bill, which is based on the work and final recommendations of the Legislative Commission to End Poverty in Minnesota by 2020 (LCEP), establishes a bi-partisan task force to identify best practices for helping low-income Minnesotans build and maintain financial assets.

In order to end poverty in Minnesota by 2020, the LCEP focused its work on three primary objectives: (1) helping Minnesotans become more financially self-sufficient; (2) building individual and community assets; and (3) eliminating barriers to employment. The LCEP outlined six strategies to meet its primary objectives. The following strategy, provided in the LCEP's Final Report, provides the impetus for House File 2062: *To become fully self-sufficient financially, Minnesotans must be able to move beyond mere survival to the point where they are building and maintaining assets. That means that their already inadequate resources must not be further depleted through predatory financial practices. Greater financial literacy is needed to reduce vulnerability to such practices.*

More than nine percent of our neighbors are living in poverty. More than 491,000 Minnesotans are living below the poverty line. To be living below the poverty line, an individual must be living on less than \$10,830 per year, and a family of four must be living on less than \$22,050 per year. In order to end poverty, individuals and communities must have the opportunity to build wealth. As the Commission eloquently stated, "income is how we get by, assets are how we get ahead."

Our faith calls us to practice the virtue of solidarity, working together to lighten the load of our many neighbors who are in economic need. We believe that policies aimed at ending poverty in Minnesota should:

- protect and support human life and dignity;
- strengthen families;
- encourage and reward education, training and work;
- preserve a safety net for our neighbors who are poor and vulnerable;
- reflect the current economic climate; and
- invest in human dignity.

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This bill addresses all six of these policy factors. With our state's current budget deficit and our growing rate of unemployment, now is *not* the time to set aside the work of the LCEP and its long-term visionary plan of ending poverty in Minnesota. Now is the time to cultivate the ingenuity that will help Minnesotans: become more financially self-sufficient; protect their resources from predatory lending practices; build and maintain financial assets; and gain greater financial literacy.

Not only will the creation of the Ladder Out of Poverty Task Force build upon the recommendations of the LCEP, but it will serve to strengthen our State by helping Minnesotans and their families build for their futures. As such, I encourage this Committee to support this bill and help more Minnesotans who are struggling build for the future.

Thank you for your time and your dedication to strengthening the common good for all Minnesotans.

The Ladder Out of Poverty Task Force will bring together, during the interim, four members of the Minnesota Senate, four members of the Minnesota House of Representatives, the Commissioner of the Minnesota Department of Commerce, and the Minnesota Attorney General to discuss and recommend:

- wealth building opportunities for low-income families;
- alternatives to predatory financial products;
- private financial institution incentives; and
- financial literacy options.