07/14/2026
Joint Committee on Children, Families, and Persons with Disabilities

The Honorable Robyn Kennedy, Chair
State House, Room 312-D
Boston, MA, 02133

The Honorable Jay Livingstone, Chair
State House, Room 146
Boston, MA, 02133

RE: Testimony in support of An Act Significantly Alleviating Poverty (H.5085/S.3095):

Chair Kennedy, Chair Livingstone, and distinguished members of the Joint Committee on Children, Families, and Persons with Disabilities:

As coalitions committed to advancing policies that support economic stability and mobility for Massachusetts families, we come together in strong support of *An Act Significantly Alleviating Poverty* (H.5085/S.3095). We thank the Committee for the opportunity to submit testimony and extend our appreciation and gratitude to Senator DiDomenico and Representative Decker for their leadership in filing this bill, as well as so many other pieces of legislation that seek to reduce poverty and advance equity across our state. We appreciate the Committee reporting the Senate bill out favorably and encourage the Committee to continue to push this legislation forward.

H.5085/S.3095 is evidence-based legislation that emerged from statewide listening sessions and research review on state level opportunities to reduce poverty in the Commonwealth. While we support the comprehensive bill as a whole, as coalitions who lead on several of the identified priorities, we write in support of the following sections:

- **Sections 4-5:** Increasing TAFDC & EAEDC to 50% of the Federal Poverty Level and providing annual increases to keep pace with 50% FPL
- **Section 6:** Allowing pregnant persons to verify pregnancy with non-medical verification
- **Section 9:** Trusting TAFDC families' judgment about when pursuing formal child support is in their child's best interest
- **Section 10:** Paying families the child support collected for children who receive TAFDC
- **Section 11:** Paying former assistance families all child support collected for their children
- **Sections 13-17:** Expanding and Increasing the Earned Income Tax Credit and Child and Family Tax Credit
- **Section 18:** Establishing a Guaranteed Income Program for Former Foster Youth
- **Section 31:** Establishing a Baby Bonds program
- **Section 32:** Establishing a Matched Savings program

- **Section 46:** Replacing cash or nutrition assistance benefits stolen through skimming or other fraudulent methods

Poverty Harms us All, but Poverty is Not Inevitable
Massachusetts can be described as a “tale of two states”. On one hand, it boasts the highest median household income in the country ($104,828) and a median household net worth of $307,890.[1] Yet this wealth and financial security is not enjoyed by all: from 2009 to 2015, 58% of all income growth in Massachusetts was attributed to the top 1% of earners.[1] In 2025, the income inequality ratio in the Commonwealth was 5.5, meaning that **the top 80% of earners have an income that is 5.5 times greater than the bottom 20% of earners**.[2] The ratio within Suffolk County alone is even higher at 7.6. Nationally, this ratio is 4.9.[2] Stark racial and gender inequities also exist, with Latine households earning 59 cents for every dollar earned by white households, and Black women earning 59 cents for every dollar earned by a Non-Hispanic white man.[1] This issue is not new: a widely publicized 2015 report by the Federal Reserve Bank of Boston found among families in the Greater Boston area, the average white family held close to $250,000 in assets, while the average Black family held just $8.30.[3]

Experiencing poverty is not driven by individual choices or simply not “pulling one up by their bootstraps”. It is the result of intentional policy decisions, fueled by structural racism and other forms of discrimination.[4–8] These choices have resulted in decades of under-investment in historically Black and Brown communities, unequal opportunities for economic opportunity, and social safety net programs that, while essential, are not enough to meet basic needs.[9] There are many dominant, harmful narratives about poverty in public discourse, notably, that people experiencing poverty are “lazy” or that they’d rather receive public benefits than work.[10,11] These narratives prevail, despite extensive evidence that poor individuals do work—whether it be caring for family members inside the home or working (often multiple) jobs outside the home that do not offer health insurance, provide predictable hours, or pay a wage high enough to afford basic needs.[10,12] Further, those who do not work often experience prevalent barriers to employment, including lack of jobs that pay a living wage or transportation to them, inaccessible work visas, caregiving responsibilities, and inability to work due to mental or physical illness, substance use, cognitive, or behavioral disorders.[12,13]

These narratives and policy choices, combined with rising costs of living that have outpaced wages, perpetuate cycles of poverty and wealth exclusion in Massachusetts. Oftentimes, families experiencing poverty are forced to make impossible choices about which essential needs to cut in order to pay for other pressing needs, like utility bills, rent, or prescription medication costs.[14–16] Further, eligibility requirements force many to choose between pursuing modest wage increases or losing access to critical programs like healthcare coverage or a child care voucher, a phenomenon known as the “cliff effect”.[17,18] When families have to make these impossible choices, many find themselves trapped in a cycle of being unable to meet their basic needs, which further contributes to poor physical and mental health outcomes, an inability to save for the future, and impacts one’s ability to pursue education or career-building opportunities.

To wholly improve the overall health of our communities, we need to advance policies that ensure no Massachusetts resident lives in poverty. **This will require a multi-pronged approach, pushing forward solutions to address the root cause of poverty, while strengthening solutions that provide economic relief, advance equity, and build wealth.** As coalitions committed to advancing economic security and mobility, we know that direct cash programs—including cash assistance, tax credits, guaranteed income, baby bonds, and matched savings—break down silos and center dignity of choice, enabling participants to use benefit dollars to best meet their unique needs. To build a world where all families can thrive, we must strengthen existing programs and advance all proposed solutions which seek to achieve this goal, rather than champion one alone. This collective approach is necessary to truly eliminate poverty in the Commonwealth, and ensure all families can meet their basic needs, while having the resources needed to dream, plan, and work towards their goals and dreams for the future.

Key Policies That Would Advance Economic Mobility
Expanding opportunities for economic mobility has been identified as a priority for the Massachusetts Legislature. Below are policies within An Act Significantly Alleviating Poverty (H.5085/S.3095) that each of our respective coalitions have championed, and all of which were identified as solutions to eliminate poverty in Massachusetts by 2035, as outlined by the Special Legislative Commission to Study Poverty.[19]

These policies are critical in the current political landscape, where policy shifts at the federal level have increased the financial burden on families across the state. From SNAP eligibility changes, Medicare cost share changes, to tariffs increasing the costs of everyday items and services, families are struggling to make ends meet. While it is not possible for state dollars to backfill either the loss of federal funding or cost increases from policy changes, the policies that this bill advances would reimagine the resources we have to deliver the most impact.

Sections 4-5: Increasing TAFDC & EAEDC to 50% of the Federal Poverty Level and providing annual increases to keep pace with inflation, *Lift Our Kids Coalition*

Provisions included in these sections would raise cash assistance grants until they meet half the federal poverty level, and would provide annual increases to keep pace with that very modest goal. Increasing cash assistance grant levels to 50% of the federal poverty level affirms the dignity of families living with very low incomes, affording them more time and space to care for their children and engage with their broader communities. More income every month means families will be better able to handle financial crises as well as day-to-day expenses, which in turn improves long-term family stability, resulting in better educational, employment, and health outcomes.

With the Committee's support, the Legislature has raised grants five times starting in January 2021. However, one of the increases was eliminated by the Governor and there is no increase scheduled for 2026. Without regular grant increases, cash assistance grants are falling further behind the goal of eliminating Deep Poverty – half the federal poverty level – in Massachusetts.

Section 6: Codifying pregnant persons' eligibility for TAFDC at the beginning of pregnancy and allowing non-medical verification, *Lift Our Kids Coalition*

This provision would codify eligibility for pregnant persons at the beginning of pregnancy and would allow non-medical verification so that benefits can be accessed early in pregnancy. Until 2025, Massachusetts only provided TAFDC to pregnant persons without a dependent child starting in the third trimester. The FY 2026 budget extended eligibility to the beginning of pregnancy but kept the requirement that the pregnancy must be "medically" verified. However, medical verification is typically not available until some time between the 8th and the 12th week of pregnancy, negating the intent to make cash assistance available early in pregnancy for Massachusetts residents who participate in TAFDC.

Section 9: Trusting families' judgment about when pursuing formal child support is in their child's best interest, *Lift Our Kids Coalition*

This provision would enable parents to assess their own family's circumstances and determine whether pursuing formal child support is or is not in their child's best interest. Under current state regulations, most families who seek TAFDC must pursue formal child support even when doing so, in their judgment, is not in their child's best interest. These regulations were adopted to comply with what used to be federal law, and have been essentially unchanged for decades. However, federal law enacted in 1996 authorizes the state, rather than the federal government, to define what constitutes "good cause and other exceptions" for not pursuing child support, and to grant exceptions in those circumstances.

Courts recognize that children's interests are best served in most situations by fostering a close relationship between the child and both parents. Pursuing formal child support that does not benefit the child can create resentment on the part of the noncustodial parents, discourage them from maintaining a relationship with their children, driving them underground. Frequently, custodial and noncustodial parents see the current requirements as interfering with informal support arrangements which are working for them. Further, parents also see these rules as part of a system that incarcerates low-income men, particularly men of color, and penalizes them and their families.

Sections 10-11: Paying families the child support collected for current and former TAFDC recipients, *Lift Our Kids Coalition*

This provision would pay child support directly to families participating in TAFDC, rather than to the state. Currently in Massachusetts, families participating in TAFDC receive only the first $50 per month in child support, regardless of how much the noncustodial parent pays. Each year, about $24 million of the child support the state collects is split between the state and the federal government, instead of being sent to the very low-income families receiving TAFDC. In addition, Massachusetts still keeps most of the support collected for former assistance families if there is unpaid support that accrued while the family received assistance.

Paying child support directly to families increases family income and improves the family's financial stability, reduces child welfare involvement, and increases noncustodial parents' engagement with their children. Other states, including most recently Illinois, have adopted policies to direct all child support to current and former cash assistance families.

Sections 13-17: Expanding and Increasing the Earned Income Tax Credit and Child and Family Tax Credit, *Healthy Families Tax Credits Coalition*

Provisions included in these sections would increase and expand access to the Earned Income Tax Credit (EITC) and Child and Family Tax Credit (CFTC), cash benefits that are administered through the tax system. Refundable tax credits like the EITC and CFTC reduce the amount of taxes a family owes, providing a refund if the credit is larger than their tax liability. If eligible, families and workers claim these credits when filing a tax return, delivering direct, flexible cash back into their pockets. Currently, the CFTC is $440 per qualifying dependent (child under the age of 13, or a spouse with a disability/who needs care), and the EITC is a 40% match of the federal credit, averaging to $996.[20] By bolstering families' incomes, these credits reduce poverty, improve health outcomes, and boost local communities and state economies.[21–23]

This bill would improve these evidence-based credits by expanding eligibility to some populations currently left out and increasing credit generosity. For the EITC, this bill would expand eligibility to include immigrant workers who file taxes with an Individual Tax Identification Number (ITIN). This provision would follow the lead of 10 other states and DC who already include ITIN filers in their EITC, benefiting an estimated between 61,000 and 76,000 immigrant workers in Massachusetts.[24] For families with more than three children, this bill would also increase the EITC 5% for each qualifying child—currently there is no difference in benefit amount for families with three children and families with more than three children.

This bill would also increase the CFTC from $440 to $600 per qualifying dependent and index the credit to inflation. This bill would also enable monthly, advance payments of the CFTC, similar to the expansion of the federal Child Tax Credit in 2021, which has been credited with the largest decrease in child poverty since the US defined and began tracking poverty in the mid-1960s.[25,26]

Finally, a challenge with tax credits is awareness and participation: nationally, 20% of those eligible do not claim the EITC.[27] To help ensure all who are eligible know about and claim these health-boosting credits, this bill would fund the Massachusetts Department of Revenue to conduct an outreach and educational campaign.

Section 18: Establishing a Guaranteed Income Program for Former Foster Youth, *CASH MA Coalition*

Section 18 would establish a guaranteed income program providing $1,000 per month for up to five years to young people transitioning out of the care of the Department of Children and Families between the ages of 18 and 23. Young adults aging out of foster care face some of the steepest odds of any group in the Commonwealth, with disproportionately high rates of housing instability, unemployment, and poverty, and often without the family safety net that most young people rely on during this pivotal stage of life. We are particularly encouraged by several features of the program's design. By specifying that the stipend shall not be counted as income or assets in determining eligibility for any other benefit provided by the Commonwealth, Section 18 ensures that participants are not penalized for receiving support.

At the same time, we urge the Committee to view former foster youth as a critical first step, rather than as the full extent of what a guaranteed income/direct cash policy can accomplish in the Commonwealth. Since 2020, at least two dozen guaranteed income programs have launched across Massachusetts, demonstrating that flexible cash works across a wide range of populations and life stages. Other groups face comparable inflection points and would benefit from the same kind of targeted, sustained investment - most notably pregnant people and families with young children, for whom the earliest years represent a uniquely consequential window for health, development, and long-term economic security.

Massachusetts is already home to a rich ecosystem of locally grown programs that prove this model across populations. BAY-CASH provides monthly direct cash to young adults experiencing homelessness in Greater Boston; Bridge to Prosperity provides time-limited direct cash,coaching, and career navigation to workers facing the "benefits cliff" to help them advance in their careers and to economic prosperity without the abrupt loss of public benefits; Camp Harbor View supports families just above the "benefits cliff" who earn too much to qualify for assistance yet still struggle to make ends meet; and United South End Settlements embeds cash within its early childhood programs. Programs such as The Bridge Project and the Family Health Project extend this support to mothers from pregnancy through their child's earliest years. These efforts demonstrate both the promise of direct cash and the limits of relying on time-limited, philanthropically funded pilots. A more comprehensive and sustained approach is needed to reach every population for whom a guaranteed income could change life's trajectory.

Sections 31 and 32: Establishing a Baby Bonds program and Establishing a Matched Savings program, *Assets for Opportunity Coalition*

Matched savings programs are an evidence-based policy solution to increase economic mobility by building assets such as a home, education, or emergency savings. An eligible participant is defined by someone who is below 80% area median income (AMI). Participants deposit money in a custodial account. Those savings are then matched up to a 4:1 ratio. There is no cap on the individual's own savings; they may continue depositing funds beyond the program cap to encourage ongoing deposits. While enrolled, participants will receive financial coaching and education and learn strategies for building financial security and accumulating wealth. After graduating, participants combine their savings and program match funds towards one of the allowable financial goals.

Looking at the impact of current programs in Massachusetts in 2025, 198 participants across six Midas-partnered Matched Savings programs have saved $475,697, $332,400 of that being matched dollars. Since 2007, Midas-supported Matched Savings programs have helped 1112 participants buy homes, 1150 invest in education, 496 start businesses, and 428 build rainy-day funds. These programs serve historically marginalized communities. Among participants, 68% identified as women, 28% as Latino or Hispanic, and 26% as Black. The impact of existing programs is significant, but limited funding restricts access.

Baby Bonds are significant government investments made on behalf of children to support future wealth-building activities, such as buying a home or paying for college and career training. Baby Bonds are designed to address wealth disparities in gender, race, and ethnicity that were created as a result of discriminatory policy throughout our country's history. Baby Bonds will provide future generations of children with capital that they would otherwise not have access to and help put them on the same level as their peers born to families with high income. Without this investment, children from families with low-income will continue to struggle to break the cycle of poverty, not only stymieing their own potential but also limiting the growth of the Massachusetts economy.

Recognizing the difficult nature of funding new programs in this moment where basic needs are under threat, neither of these programs have a fiscal note attached. Section 31 and 32 would create structures for programs to be quickly deployed once Massachusetts stabilizes so that funding can be utilized as soon as it is available. The Baby Bonds and Matched Savings trust funds that the two sections create, are structured so that they can be funded by private contributions in addition to state dollars.

Section 46: Replacing cash or nutrition assistance benefits stolen through skimming or other fraudulent methods

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The greatest integrity threat to SNAP program integrity is organized EBT benefit theft. Coordinated criminal efforts steal billions of taxpayer dollars through card skimming, cloning, and phishing while families arrive at grocery stores to find their benefits gone. Massachusetts currently replaces stolen cash assistance benefits but does not replace SNAP benefits, leaving victims scrambling to pay for the food they need to feed their families.

The Commonwealth plans to implement more secure, chip-enabled EBT cards that will dramatically reduce this type of theft. In the meantime, this section–the same as Chair Kennedy's bill, S.147–is needed to protect families by providing replacement benefits when thefts occur. These protections are needed both now and in the future to assure replacement of benefits that could inevitably be stolen when new efforts are developed to defraud families.

Conclusion

As coalitions dedicated to advancing several policies included in this bill, we come together as one voice in strong support of An Act Significantly Alleviating Poverty. **We respectfully request the Committee to report this bill out favorably, and pass legislation that will foster greater economic relief, stability, and mobility for all who call Massachusetts home.**

Signed,

Assets for Opportunity Coalition, led by United Way of Massachusetts Bay and The Midas Collaborative

Economic Pathways Coalition, led by the Food Bank of Western Mass and SpringfieldWORKS

Healthy Families Tax Credits Coalition, led by Children's HealthWatch

Lift Our Kids, led by Greater Boston Legal Services and Massachusetts Law Reform Institute

CASH MA, led by UpTogether

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