

## SHARED VICPP 2016 PRIORITIES AND UMW 2016 PRIORITIES

### ECONOMIC JUSTICE

We believe that economic inequality undergirds a multitude of injustices including **climate change to mass incarceration to exploitation of low-wage and undocumented workers**. Economic inequality also **disproportionately affects people of color**. We believe that a better Virginia is possible, and we support policies and programs that positively respond to the needs of lower-income individuals, families, and communities in Virginia. These include eliminating predatory lending, eliminating and preventing hunger in children, increasing the minimum wage, and refunding the Virginia earned income tax credit to poor working families.

### RAISING THE MINIMUM WAGE

Many working families are falling behind. Our partner, the Commonwealth Institute, cites that **one in ten Virginia workers made less than \$8.29 in 2013**. And low-wage workers in Virginia have endured stagnant wages even with our improving economy. Virginia's low-wage workers earn 17 cents for every \$1 high-wage Virginia workers bring home. That figure has decreased from 27 cents in 1979. Some policymakers believe that the minimum wage benefits only teenagers. Actually, close to 90% of minimum-wage earners are 20 or older, and about half have at least some college education. Most are working full-time (at least 35 hours/week). **Close to 300,000 Virginia children have at least one parent who would benefit from increasing the minimum wage.**

### ELIMINATING PREDATORY LENDING

VICPP has a robust history of **support for consumer finance protection**. We have consistently supported a **36% annual percentage rate (APR) cap** on interest rates for both **payday and car title lenders**. We also support other legislation designed to either cap fees or limit the number of loans offered by predatory lenders. At the federal level, we are strongly in support of the Consumer Finance Protection Bureau (CFPB) and its work to ensure that payday and predatory lenders are properly regulated.

Virginia passed positive payday loan reforms in 2008 in the Payday Lending Act. These protections have made payday loans somewhat less onerous, but payday loans have largely been replaced by **triple-digit car title loans** and largely unregulated **open-end loans that range from 250-360 percent**. These loans lock borrowers in a **vicious cycle of debt**.

According to Virginia's State Corporation Commission, in 2014, Virginia-based payday lenders have annually made more than 440,000 loans totalling more than \$170 million to more than 137,000 borrowers. The borrowers take out an average of more than three loans a year to stay afloat at an average annual interest rate of 289 percent. Virginia-based car title lenders also issued more than \$206 million in loans in 2013, up from \$180 million in 2012, to more than 150,000 borrowers, with an average APR of 216 percent. More than 17,000 borrowers had their car repossessed and more than 13,000 had their car sold. VICPP supports efforts to **eliminate all forms of predatory lending and the development of affordable alternatives**.

## **REDUCING CHILDHOOD HUNGER**

Proper nutrition is vital to the healthy social, cognitive, and physical development in children. Kids who do not get enough healthy food to eat are more likely to struggle and are less likely to grow up to be successful and productive citizens. **More than 320,000 children in the state were at risk of hunger, or food insecure.** VICPP has joined the efforts of two partners whose work aims to eliminate hunger in children: the **Virginia No Kid Hungry** program and Virginia Hunger Solutions.

Launched in 2011 by the Virginia Poverty Law Center, the Virginia No Kid Hungry program brings together a public-private partnership that includes the Virginia Department of Health and the Virginia Department of Education and several corporate partners to work towards ending childhood hunger in the Commonwealth. The campaign is increasing awareness and participation in the Summer Meals program and the At-Risk After-school Meals program. The Center supports the governor's inclusion of **funding for Universal Breakfasts in his latest budget proposal.**

## **ACCESS TO HEALTHCARE**

VICPP and **Virginia Consumer Voices for Healthcare**, the Center's healthcare program, continues to focus on ensuring that all Virginians have **access to high-quality, affordable health care.** When lower- and moderate-income people gain health coverage, the burden of paying health-care bills is eased and they are able to focus on other pocketbook issues. In addition, **the burden of paying for non-insured Virginians** is eased on health care providers and those with insurance whose coverage helps subsidize the uninsured.

## **EXPANDING COVERAGE**

In Virginia, **approximately 400,000 Virginians would benefit from using available federal Medicaid dollars to provide access to care.** These individuals are in the "coverage gap," because they do not earn enough to purchase health insurance in the Healthcare Marketplace, and they currently do not qualify for Medicaid in Virginia. The majority of these individuals are working, but have jobs where **health insurance is not a benefit.** Further, they do not earn enough to purchase health insurance through the insurance marketplace.

Right now, Virginia's Medicaid program does not extend to childless adults between the ages of 19 and 65. Federal funds will pay for 100% of the cost of coverage through 2017, and over the next few years until 2020 when the federal match drops to 90% and **will free up millions of dollars annually for other state budget needs. Closing the coverage gap will help safety net providers, including hospitals, stay in business.**