


# Family economic security

Building the base upon which to arrive and stay in the middle class

*By Nancy Cauthen*



Juan Carlos Rojas holds his 2-year-old son, Juan Pablo Rojas, after being laid off from his job, as he fill out paperwork for unemployment benefits at the employment help center Workforce One in Miami, Florida.

GETTY FILE PHOTO

*Americans are united in the belief that hard work and opportunity are the keys to making a better life for oneself and one's family. Likewise, Americans believe that people who work hard should earn enough to keep themselves and their families out of poverty. In an ideal world, hard work would be sufficient to enable workers not only to avoid destitution but also to meet their basic family needs, save for emergencies, and provide new opportunities for the next generation.*



*But today's economy poses new challenges to this ideal. Low wages are pervasive and employment is less and less stable. Unemployment is particularly high among young people and workers without a college degree, and the Great Recession resulted in unprecedented levels of long-term unemployment that persist today.*

*Our federal and state safety nets are ragged and were never designed to deal with these economic realities. It is time to think anew about how to reduce poverty and increase family economic security among working-age adults and their children.*

## Promoting family economic security: The challenge defined

A family is economically secure when it is able to meet its financial needs in ways that promote the health and well-being of parents and children. Economic security means that families don't fall into poverty when they cannot work or work is unstable. It means that when workers lose their jobs, they have time to look for another or upgrade their education and skills without suffering severe hardship.

Economic security also means that no child in America is hungry or homeless, and that families have personal savings as well as a strong public safety net to help regain their footing in the economy when they face challenging economic times. There are two fundamental building blocks to family economic security and opportunity—an adequate and stable income alongside savings and other assets that can sustain families

in times of economic stress and enable them to invest in the future. Here we look at each in turn.

### Adequate and stable income

Income is the most basic building block of family economic security. It provides the means through which families pay for their everyday needs, such as housing, food, transportation, health care, and child care. Yet prior to the Great Recession, more than 40 million Americans—a third of the U.S. labor force—worked in jobs that paid low wages, often without basic health and retirement benefits.<sup>1</sup> Even full-time work is not always sufficient to keep families above the official poverty line, let alone provide enough income to cover basic necessities or set anything aside for emergencies.

---

With its stringent work requirements, the now-15-year-old legislation that created the Temporary Assistance for Needy Families program brought much-needed policy attention to the fact that employment is not always sufficient to lift a family out of poverty.<sup>2</sup> In an effort to “make work pay,” federal and state policymakers expanded work support benefits such as refundable earned income tax credits, child care subsidies, and health insurance.<sup>3</sup>

These benefits increase the disposable income of low-income families while also increasing their access to medical services and reliable child care. Expanded access to work supports in combination with higher rates of employment among single mothers, made possible in part by the booming economy of the late 1990s, contributed to a steady decline in child poverty, which by 2000 reached its lowest level since 1978.<sup>4</sup>

Since 2000 child and family poverty have increased, with the Great Recession resulting in the worst labor market since the 1930s. Although state governments tackled the crisis in different ways, with some going to great lengths to protect the most vulnerable, the recession resulted in widespread cutbacks in child care assistance and public health insurance. The American Recovery and Reinvestment Act of 2009 temporarily made up for some of the state-level cuts in benefits and supplemented family incomes with additional tax credits, but most of the assistance was designed to expire by the end of this year. Only the increase to the Supplemental Nutrition Assistance Program, or SNAP, for-

merly the food stamp program, does not expire at the end of this year.

In the meantime, stubbornly high unemployment rates, especially among young adults without a college degree, have spotlighted the insecurity for working-age families of sole dependence on earnings. In 2010, 14 percent of children with high-school-educated parents were in a household that experienced unemployment, as were 16 percent of children of parents without a high school diploma.<sup>5</sup>

Some of these unemployed parents qualified for unemployment insurance while others did not. But as of August 2011, 43 percent of the unemployed had been out of work for six months or more.<sup>6</sup> There are few options for the unemployed who can't find jobs.

Many unemployed workers at the lower end of the income scale fall through the cracks of existing income-support programs. Fortunately, food assistance through SNAP was temporarily expanded. This made a tremendous difference during the recession. And many unemployed parents have been able to obtain public health insurance coverage for their children through the State Children's Health Insurance Program or Medicaid.

Nonetheless, the recession highlighted a number of gaping holes in our nation's patchwork of safety net programs for low-wage workers who lose their jobs or are underemployed. Later in this chapter we will return to the inadequacies of these safety net programs.



Savings help families invest in the future, whether providing training to increase a parent's earnings potential, financing a college education for the next generation, buying a home, or preparing for retirement.

THE ASSOCIATED PRESS FILE PHOTO

## Savings and assets

For families to be economically secure, they need more income than is necessary to simply “get by” in order to accumulate savings and acquire other assets. A lack of savings and assets is often what prevents low-income families from getting ahead. Savings help families weather a crisis such as the loss of a job or an extended illness. But assets can also open up new possibilities.

Just having a reliable car, for example, might enable a family member to get a better-paying job that would otherwise be inaccessible. Savings help families invest in the future, whether providing training to increase a parent's earnings potential, financing a college education for the next generation, buying a home, or preparing for retirement.

But most low-income families have little money to save, so they are unable to benefit from the tax deductions that subsidize asset accumulation among the nation's middle- and upper-income families. The home mortgage interest deduction, for example, cost the federal government \$73 billion in reduced tax revenues in fiscal year 2005, but only 3 percent of these benefits went to the bottom half of wage earners. Federal tax subsidies for employer-sponsored and individual retirement accounts totaled \$116 billion, with most of these benefits accruing to the highest-income families.<sup>7</sup>

Given such tax deductions—along with the tax code's favorable treatment of wealth, which is taxed at lower rates than income—the rich are by far the greatest beneficiaries of government policies that encourage and reward asset building.

---

Research makes clear that assets can improve outcomes for low-income families and children. For instance, savings and homeownership are associated with better academic achievement among school-age children, high school graduation, and college attendance.<sup>8</sup> Savings and asset accumulation may help create and reinforce a more forward-looking, future orientation in parents and children alike.<sup>9</sup> In short, helping families accumulate assets can increase their long-term financial stability, improve economic mobility, and reduce longstanding racial and ethnic disparities.<sup>10</sup>

But the road ahead is steep, as rates of asset poverty in the United States are much, much higher than the rates for income poverty. Prior to the recession, 52 percent of the nation's families with children were considered "asset poor," meaning they had liquid assets (such as money held in bank accounts and mutual funds) equivalent to less than three months of

income at the poverty level (\$5,162 in 2007 dollars.) In 2007, 80 percent of African American families and 77 percent of families headed by single mothers were asset poor.<sup>11</sup>

The flip side of family asset building is keeping debt manageable. Expensive debt that carries high interest rates and imposes excessive penalties for missed or late payments can eat away at earnings and become a barrier to asset accumulation.

The rest of this chapter analyzes three ways that policymakers can promote family economic security among working-age adults and their children:

- Strengthen work supports for low-wage earners
- Provide adequate income support to the unemployed
- Promote savings and asset development

We begin with work supports for low-wage workers.

## Work supports for low-wage earners

**A** low work effort does not explain the high poverty rate among families with children in the United States. Low-income parents work more hours than those in many other developed countries.<sup>12</sup> And yet those working full time (40 hours a week, 50 weeks a year) earning \$10 an hour bring home only \$20,000 annually—less than the official federal poverty level for a family of four and not nearly enough to pay for decent housing, food, child care, transporta-

tion, and health care. Many jobs pay less than \$10 an hour. The federal minimum wage is only \$7.25 and the highest state minimum wage is \$8.67. Most low-wage jobs don't provide paid time off or benefits such as health insurance and few offer prospects for advancement and wage growth.

That's why "work support" benefits such as earned income tax credits, child care

assistance, and public health insurance coverage are a critical component of policy efforts to reduce poverty. Work supports help low-wage workers close the gap between insufficient earnings and basic expenses. There is now abundant research evidence that work supports positively affect employment outcomes and family incomes, which in turn benefit children.<sup>13</sup>

### Refundable income tax credits

The federal earned income tax credit reduces the income tax liabilities of low- to moderate-income working families and serves as a wage supplement. Since the tax credit is refundable, any amount of the credit that exceeds a family's tax liability is received as a cash payment. By definition, only families with earnings are eligible for the benefit.

The federal earned income tax credit is one of the nation's most effective antipoverty programs. In 2009, the tax credit lifted 6 million people—half of them children—out of poverty. The child poverty rate would have been nearly a third higher without it.<sup>14</sup> Research shows that the credit also serves as a powerful work incentive among single parents. Between 1984 and 1996 labor force participation rates among single mothers increased from 73 percent to 82 percent, with more than 60 percent of the increase attributed to expansion of the earned income tax credit.<sup>15</sup> The child tax credit is also partly refundable. Improved as part of the American Recovery and Reinvestment Act in 2009, the child tax credit provides a parent with two children who works full time at the

minimum wage with about \$1,800. Combining this with the improvements in the EITC is estimated to lift millions of children and adults out of poverty.<sup>16</sup>

### Child care assistance

For many low-income working families, child care is by far their largest work-related expense. The primary program that subsidizes child care for low-income families is the Child Care and Development Fund block grant. Child care subsidies pay providers directly for child care services provided to low-income families, and parents are required to make co-payments as earnings increase.

The Child Care and Development Fund block grant was created by the same welfare reform legislation that created Temporary Assistance for Needy Families in 1996. Over the next few years, spending on child care assistance increased substantially, but in recent years, and especially since the Great Recession, funding for child care subsidies has declined. The reason: Child Care and Development Fund subsidies are funded with a fixed federal block grant, which means that funding does not expand when demand increases. This means that low-income working families who have never received cash assistance, even if eligible under the state's rules, are the least likely applicants to receive child care assistance.

Most states deal with this limitation by prioritizing cash assistance recipients and those transitioning to employment for child care subsidies.

---

## *Innovative outreach and asset building—a San Antonio solution*

The federal earned income tax credit program is one of the largest and most effective antipoverty policies currently in place in the United States, providing more than \$40 billion in supplemental income to low-income workers with children.<sup>1</sup> In 2007, 25 million families and individuals received the tax credit, which provides a refundable federal income tax credit to low- to moderate-income working individuals and families. The Center on Budget and Policy Priorities estimates that the tax credit was responsible for lifting 6.6 million people, including 3.3 million children, out of poverty in 2009.<sup>2</sup>

Every year, however, many eligible filers fail to claim their credit, and their families do not receive the benefit of the additional income that it provides. San Antonio, the nation's seventh-largest city, boasts a 10-year-old initiative to address this issue of lost income and help low-income families get on the path to financial security through outreach and asset-building assistance.

The Alamo City Coalition for Family Economic Self Sufficiency developed as a partnership between financial institutions, government service providers, nonprofit organizations, faith groups, and universities. The cornerstone of its efforts is the Volunteer Income Tax Assistance program, or VITA, which trains volunteers to provide tax preparation services to low- and moderate-income families and individuals.<sup>3</sup> Through the VITA program, people making less than \$55,000 receive free assistance filing their income tax returns and claim valuable tax credits like the EITC and child tax credit.

In 2011, VITA volunteers completed over 37,000 tax returns, returning more than \$63 million worth of refunds to program participants. The results of an economic impact assessment found the program to have significant benefits for the local economy, returning \$288 million to residents through the earned income tax credit alone, creating 752 jobs, and generating an additional \$2 million in sales tax revenue for the city.<sup>4</sup>

The coalition has also launched an Individual Development Account program to assist low-income people build long-term assets and financial stability for their future. Program participants set up savings accounts with partner financial institutions and make monthly deposits, which the City of San Antonio matches with four dollars for every one dollar deposited, up to \$1,000.<sup>5</sup> Participants can use their savings to make a down payment on a home or attend college. The program also offers financial literacy classes to help working families develop a strong understanding of personal finance that can help them build financial security.

This initiative is a cost-effective way to encourage job creation and economic development by increasing low-income families' access to important income support and financial services. Through the innovative collaboration between government, business, and nonprofit partners, the program has been successful in generating much-needed revenue for the city and improving the lives of community members in need.

---

1 Elizabeth Kneebone, "Economic Recovery and the EITC: Expanding the Earned Income Tax Credit to Benefit Families and Places" (Washington: Brookings, 2009), available at [http://www.brookings.edu/~media/Files/rc/papers/2009/0129\\_eitc\\_kneebone/20090126\\_eitc\\_kneebone.pdf](http://www.brookings.edu/~media/Files/rc/papers/2009/0129_eitc_kneebone/20090126_eitc_kneebone.pdf).

2 Center on Budget and Policy Priorities, "Policy Basics: The Earned Income Tax Credit" (2009), available at <http://www.cbpp.org/files/policybasics-eitc.pdf>.

3 Volunteer Income Tax Assistance, available at <http://www.vitasa.org/>.

4 EITC Funders Network, "Evaluating EITC-Related Programs: Five Case Studies" (2010), available at <http://www.eitcfunders.org/documents/EITCBrief12-10final.pdf>

5 Financial Assistance Services: IDA-Individual Development Account, City of San Antonio Community Initiatives, available at <http://www.sanantonio.gov/comminit/FinancialAssistanceIndividualDevelopmentAccount.aspx>.

The result is that only a fraction of eligible families receive child care assistance, putting them at a greater disadvantage as they seek to find and hold onto a job.

In contrast, research demonstrates that low-income mothers who receive child care subsidies are more likely to be employed, to work more hours, and to work standard schedules compared to low-income mothers without subsidies. Child care subsidies are also associated with greater employment stability and higher earnings, with particularly strong consequences for women without a high school degree and for single mothers.<sup>17</sup>

### Public health insurance

Two major federal-state policies subsidize health insurance for low-income children and families: Medicaid and the State Children's Health Insurance Program, or SCHIP. As a result of Medicaid expansions and the implementation of SCHIP (passed in 1997), eligibility for public health insurance for children has dramatically increased. Most states now provide health insurance coverage for children with family incomes up to 200 percent of poverty and several states have limits at or above 300 percent of poverty.

This coverage protects families who are on the nearest rungs of the ladder into the middle class—with incomes between roughly \$40,000 and \$60,000—from financial setbacks if their children need medical attention. Recent policy change in health care reform also increased

health coverage among young adults. Among those aged 18 to 24 in 2010, the uninsured rate decreased to 27.2 percent from 29.3 percent in 2009.<sup>18</sup>

For adults, too, access to Medicaid is key, especially given the continued decline in employer-based health coverage. An important recent study based on the experience of Oregon's health insurance program demonstrates that when people in poverty have medical insurance, they have better access to doctors, see them more often than the uninsured, feel better, are less depressed, and are better able to maintain financial stability. These findings are based on a new, large-scale study that provides the first rigorously controlled assessment of the impact of Medicaid.<sup>19</sup>

### Limitations of current work-support programs

In the wake of welfare reform and the creation of SCHIP in 1997, the United States began to build a work support system that could potentially make it possible for low-income workers to combine low-wage work with tax credits, public health insurance coverage, and subsidized child care to make ends meet. But the two weakest links in the system are the outsized demand for child care compared to available subsidies and the inadequate availability of health insurance for working-age adults with incomes above the Medicaid eligibility levels.

Further, the economic crisis has made clear that another limitation of child care and



Jay Kober, 60, of Portland, who has been unemployed for 10 months, waits in line with others during a job fair.

RICK BOWMER/THE ASSOCIATED PRESS

health care assistance is the programs' inability to expand automatically when state budgets contract and the demand for benefits increases. And finally, both federal and state policy changes are necessary to increase coordination of benefits and address the so-called "cliff effects" that can result when recipients

of work supports increase their earnings. Sometimes a small increase in earnings can cause a family to lose benefits whose value far outweighs the pay increase. This can discourage workers from taking promotions and working extra hours by unfairly penalizing advancement in the work force.<sup>20</sup>

## Income support when work is unavailable

**E**ven in more stable economic times, spells of unemployment as well as chronic underemployment are common among low-wage workers. Some jobs are seasonal or temporary. Many low-wage jobs are part time and have unstable hours. Countless workers who are on a company's payroll and therefore techni-

cally "employed" are not guaranteed that they will be scheduled to work every week.<sup>21</sup> And because so many low-wage jobs are inflexible, missing work because of illness, to care for a sick child, or due to a failed child care arrangement, can lead to dismissal.

The United States needs a comprehensive income support system that addresses these inadequacies in the job market, accommodates the needs of workers with caregiving responsibilities, and protects those unable to work. Instead, we have a series of individual programs that are largely uncoordinated and collectively allow large numbers of families to fall through the cracks. This section examines wage replacement for dislocated workers, including unemployment insurance and cash assistance, as well as programs that subsidize the cost of food and housing.

### Benefits for the unemployed

Unemployment insurance provides partial wage replacement to workers who are jobless through no fault of their own. In 2009 these benefits kept 3.5 million people above the poverty level.<sup>22</sup> The program helps families pay the bills when parents are out of work and provides an important boost to the economy during economic downturns because unemployed workers typically spend their benefits quickly.

An estimated 1.8 million job losses were averted during the recent recession because of spending attributable to unemployment benefits, which kept the unemployment rate approximately 1.2 percentage points lower than it would have been.<sup>23</sup> Yet low-wage workers who lose their jobs are far less likely to receive unemployment benefits than higher-income workers. In 2006 only 22 percent of unemployed workers in low-income working families reported receiving these benefits compared to

34 percent in moderate-income families and 39 percent in higher-income families.<sup>24</sup>

One reason for this low level of benefit receipt among low-wage workers is outmoded eligibility requirements. The unemployment insurance program was created in the midst of the Great Depression and was designed to meet the needs of full-time workers who were subject to temporary layoffs. Although the program has been modified over time and the rules vary by state, unemployment insurance has not kept up with dramatic changes in the labor force over the last 75 years, including the increase in employment among mothers and the increased prevalence of part-time and temporary work and self-employment.

New entrants to the labor force are sometimes ineligible for unemployment benefits because they don't have sufficient work experience or meet minimum earnings requirements. Until recently, most states did not provide these benefits to part-time workers.

The good news is that the American Recovery and Reinvestment Act of 2009 created financial incentives for states to modernize their unemployment programs. The law made \$7 billion available to states that adopted certain reforms designed to increase access to unemployment insurance benefits to groups such as low-wage workers that have previously been disadvantaged by outdated rules. Although some states had implemented some or all of these reforms prior to the incentive program, the last two years have brought tremendous progress toward modernizing the benefits

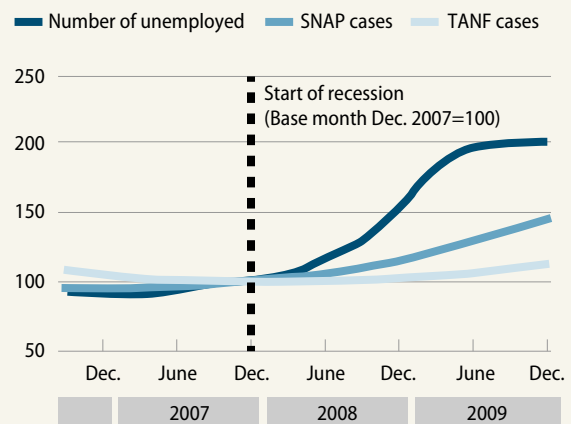
in ways that will help low-wage workers and further reduce poverty.

The other challenge facing the unemployed, however, is that federal benefit extensions often end before workers are able to find new employment. Three years ago, the federal government started providing emergency unemployment benefits for workers who had been unemployed for more than 26 weeks. Since nearly half the unemployed have been out of work more than 26 weeks, and a third for more than a year,<sup>25</sup> the federally funded emergency and extended benefits programs have provided a critical lifeline to families of the long-term unemployed. But both programs are scheduled to expire at the end of 2011 when the unemployment rate will almost certainly still be quite high.

### Cash assistance for families with children

Unlike unemployment insurance, where eligibility is based on job loss, the purpose of the Temporary Assistance for Needy Families program is to provide income support for children in very poor (typically single-parent) families. The original program, which like unemployment insurance was created as part of the Social Security Act in 1935, was designed to assist families without a male breadwinner. The program was premised on the assumption that single mothers should stay home with their children and not work.<sup>26</sup> Yet even 75 years ago, the majority of single mothers receiving cash assistance engaged in some amount of wage labor.

### Nationally, TANF has responded only modestly to rising unemployment



Source: CBPP analysis

Cash assistance benefits have always been quite low and inadequate to meet a family's most basic subsistence needs. And now, even though most single mothers are employed, at least sporadically, the program still isn't adequate to their needs.

Cash assistance, commonly known as welfare, is one of our nation's most misunderstood and unfairly vilified public programs. Temporary Assistance for Needy Families and its predecessor program, Aid to Families with Dependent Children, have always served a diverse population, from families facing a temporary rough patch to deeply poor families in which parents have multiple barriers to employment such as low education, limited skills, mental health issues, substance abuse, or other problems. Missed in the policy debates about welfare is the fact that most recipients of this assistance are unemployed low-wage workers.



Kris Fallon holds her 4-month-old daughter Addison, as her 15-year-old son Gared, left, and husband Jim Fallon look on. The Fallon family has been living in poverty for nearly two years.

ROBERT RAY / THE ASSOCIATED PRESS

Recent research conducted in Minnesota shows that the overwhelming majority of the state's cash assistance recipients have work experience. Among families applying for cash assistance in three different years over the last decade, 80 percent were employed at some point in the two years before applying for assistance, and most importantly, 50 percent were working in the same quarter in which they applied for assistance.<sup>27</sup>

Temporary Assistance for Needy Families has done little to alleviate the economic hardship caused by the Great Recession. Why? Because it does not automatically expand when economic downturns and rising unemployment lead to increased demand for benefits. The program was created as a block grant, which means that the federal funding allocated to the program is

the same regardless of economic conditions.

A recent analysis found that in 22 states, Temporary Assistance for Needy Families responded minimally or not at all to the increase in poverty caused by the recession. Between December 2007 and December 2009, caseloads increased by less than 10 percent in 16 states, and caseloads actually declined in six states.

In contrast, caseloads increased by more than 20 percent in 15 other states. The authors of this analysis note that whether state Temporary Assistance for Needy Families programs expanded during the crisis bore little relationship to the severity of the state's unemployment rate.<sup>28</sup>

Although there are many ways this cash assistance program can be improved, the biggest

---

challenge is that it is not functioning as an effective safety net for the families it was designed to aid. In 1995, when the previous Aid to Families with Dependent Children program did expand and contract according to need, the program provided benefits to 75 percent of families with children with incomes below the official poverty line. In contrast, in 2009 Temporary Assistance for Needy Families assisted just 28 percent of such families.<sup>29</sup>

The program has been level-funded since 1996, when the program was converted to block grant financing, which means the share of funding devoted to basic cash assistance for families declined dramatically during that time.

The families served by Temporary Assistance for Needy Families are very poor. Income eligibility levels are well below the official poverty level, and in the majority of states, eligibility is below half of the federal poverty level. In more than half the states, the maximum monthly benefit level for a family of three is less than \$400 a month.<sup>30</sup> Despite the meagerness of these benefits, they can make a tremendous difference in the lives of the poorest families. But the program now serves fewer than half the number of people it did 15 years ago.

Temporary Assistance for Needy Families has become less effective at fighting deep poverty over time. In 1995 its predecessor program lifted 62 percent of children who would otherwise have been below half the official poverty line out of deep poverty. But by 2005 the comparable figure for the current program was only 21 percent. Over the same 10-year period, the number of

children living in families with income below half the poverty line rose from 1.4 million to 2.4 million, an increase of 71 percent.<sup>31</sup>

### Subsidies for food and housing

The Supplemental Nutrition Assistance Program (formerly the food stamp program), and other nutrition programs have been quite effective in reducing severe hunger in the United States. Roughly 80 percent of food stamp recipients live in households with children. The Supplemental Nutrition Assistance Program targets the lowest-income families. About 90 percent of recipient households have incomes below the official poverty line and more than a third have incomes below half of the poverty line.<sup>32</sup>

The Supplemental Nutrition Assistance Program is completely federally funded except for administrative costs. The program expands during economic downturns. Enrollment in SNAP increased by 5.6 million households, or 45 percent, between December 2007 and December 2009. The program helped keep 3.8 million families out of poverty in 2009.<sup>33</sup>

Federal Housing Choice Vouchers (sometimes referred to as Section 8 vouchers) and public housing units are the principal federal housing subsidies that directly benefit low-income families. The trend over time has been away from providing individuals with publicly owned units to subsidizing rentals in the private market. In 2006 just more than 1 million households lived in public housing units and about 2 million received housing vouchers.<sup>34</sup>

Because the number of families eligible for housing vouchers is many times larger than the number of subsidies available, most applicants, especially in urban areas, are placed on a

waiting list when they apply. In some places the waiting lists are closed. As with so many safety net programs, the voucher program assists only a fraction of eligible households.

## Asset development and protection

**L**ow-income families have a hard time accumulating assets for a simple reason: They already struggle to pay the essential monthly bills and typically have little, if anything, left over. They also struggle with debt. In the decade leading up to the recession, families increasingly turned to credit cards and loans to make up the difference between stagnating wages and the higher cost of essentials, using debt to cover basic living expenses, medical bills, and car and home repairs.<sup>35</sup>

Current asset promotion policies favor middle- and especially high-income households. In the last decade or so, advocates and policymakers have begun to develop asset-building program models that specifically target low-income families. Individual Development Account programs, for example, help participants save for specific purposes, such as higher education, homeownership, or starting a business, by matching their contributions. Other mechanisms have been proposed to promote savings and to help families accumulate savings for short-term emergencies as well as long-term goals such as higher education, homeownership, and secure retirement,<sup>36</sup> but it remains to be seen if such models can be brought to scale and produce meaningful results.

At the very least, policies should not create disincentives to save and invest. Asset eligibility provisions in means-tested public assistance programs such as the Temporary Assistance for Needy Families program and public health insurance programs place restrictions on the amount of savings or the value of vehicles a family can have and still qualify for assistance. Such limits can discourage savings and prevent families from making investments. Restrictions on vehicles are particularly counterproductive since most people need a reliable car to commute to work.

Asset tests ignore household debt, so a family with a small amount of savings but a lot of liabilities may actually be worse off than a family with no savings or debt.<sup>37</sup> Fortunately, there has been growing recognition that asset limits can do more harm than good and some have been relaxed or even eliminated over the past decade.

Another threat to asset accumulation among low-income families is a phenomenon that has been referred to as the “high cost of being poor.”<sup>38</sup> Lower-income families often pay more than higher-income families for basic financial services such as cashing checks, tax preparation, mortgages, wiring money, and short- and long-

---

term loans. They also pay more for some consumer goods such as cars and furniture. Families without a bank account may resort to expensive alternatives to access cash such as check-cashing outlets, pawnshops, and payday lenders.

For a combination of reasons, including poor credit histories, insufficient knowledge and information, predatory practices, and a lack of alternatives, low-income families tend to pay more to borrow money in the form of higher interest rates, unfavorable terms, and expensive fees and penalties. These higher prices drain wealth from low-income families and whole communities.

As we have seen with the foreclosure crisis, African American and Latino families are much more likely than white families to be

steered to subprime mortgages even when they would have qualified for regular loans.<sup>39</sup> The Center for Responsible Lending estimates that during the first three years of the foreclosure crisis, from January 2007 through the end of 2009, 2.5 million foreclosures were completed, with African American and Latino borrowers disproportionately represented: Nearly 8 percent of African Americans and Latinos lost their homes to foreclosures, compared to 4.5 percent of whites.<sup>40</sup>

Addressing the widespread nature of the phenomenon of lower-income families paying more to access cash and credit will require stronger regulation and cracking down on unscrupulous and predatory practices by lenders and alternative financial services, as well as increased financial literacy among consumers.

## Measuring our progress

To achieve the goal of cutting poverty in half over the next decade, Half in Ten will track five indicators to gauge the nation's progress in helping more families become economically secure. They are:

- SNAP participation rate among eligible population
- Percentage of eligible children receiving child care subsidy
- Percentage of unemployed in receipt of unemployment insurance

- Housing affordability gap
- Percentage of population that is unbanked (without checking and savings accounts)

With these last 5 of our 18 measures of poverty detailed in this chapter, we now turn to our set of recommendations—policy suggestions that we believe would ensure all of these measures trend increasingly positive over the course of this decade.

## Endnotes

- 1 Heather Boushey and others, "Understanding Low-Wage Work in the United States" (Washington: Inclusion, 2007), available at <http://www.inclusionist.org/files/lowwagework.pdf>. This analysis defined a low-wage job as paying less than two-thirds of the median wage, or \$11.11 an hour in 2006.
- 2 Nancy K. Cauthen, "Looking Forward, Looking Back: Reflections on the 10th Anniversary of Welfare Reform" (New York: National Center for Children in Poverty, 2006), available at [http://nccp.org/publications/pdf/text\\_675.pdf](http://nccp.org/publications/pdf/text_675.pdf).
- 3 For a comprehensive assessment of work support policies, see: Nancy K. Cauthen, "Improving Work Supports: Closing the Financial Gap for Low-Wage Workers and Their Families" (Washington: Economic Policy Institute, 2007), available at <http://www.sharedprosperity.org/bp198.html>.
- 4 Carmen DeNavas-Walt, Bernadette D. Proctor, and Jessica C. Smith, Income, Poverty and Health Insurance Coverage in the United States: 2010 (Department of Commerce, 2011), table B-2, available at <http://www.census.gov/prod/2011pubs/p60-239.pdf>.
- 5 Annie E. Casey Foundation, "America's Children, America's Challenge: Promoting Opportunity for the Next Generation" (2011), available at [http://www.aecf.org/~media/Pubs/Initiatives/KIDS%20COUNT/123/2011KIDSCO UNTDataBook/2011KCDB\\_FINAL\\_essay.pdf](http://www.aecf.org/~media/Pubs/Initiatives/KIDS%20COUNT/123/2011KIDSCO UNTDataBook/2011KCDB_FINAL_essay.pdf).
- 6 U.S. Bureau of Labor Statistics, "The Employment Situation – August 2011," News release, September 2, 2011, available at <http://www.bls.gov/news.release/pdf/empst.pdf>.
- 7 Lillian Woo and David Buchholz, "Subsidies for Assets: A New Look at the Federal Budget" (Washington: CFED, 2006), available at <http://www.community-wealth.org/~pdfs/articles-publications/individuals/paper-woobuchholz07.pdf>.
- 8 William Elliott III, Mesmin Destin, and Terri Friedline, "Taking Stock of Ten Years of Research on the Relationship between Assets and Children's Educational Outcomes: Implications for Theory, Policy and Intervention" (St. Louis, MO: Center for Social Development, 2011), available at <http://csd.wustl.edu/Publications/Documents/WP11-08.pdf>.
- 9 Michael Sherraden, *Assets and the Poor: A New American Welfare Policy* (Armonk, NY: M. E. Sharpe, Inc, 1991).
- 10 Meizhu Lui, "Laying the Foundation for National Prosperity: The Imperative of Closing the Racial Wealth Gap" (Oakland, CA: Insight Center for Community and Economic Development, 2009), available at <http://www.newdeal20.org/wp-content/uploads/2009/11/executive-summary.pdf>.
- 11 Yumiko Aratanti and Michelle Chau, "Asset Poverty and Debt Among Families with Children" (New York: National Center for Children in Poverty, 2010), available at [http://www.nccp.org/publications/pub\\_918.html](http://www.nccp.org/publications/pub_918.html).
- 12 Timothy Smeeding, "Poor People in Rich Nations: The United States in Comparative Perspective," *Journal of Economic Perspectives* 20 (1) (2006): 69–90.
- 13 Nancy K. Cauthen, "Improving Work Supports: Closing the Financial Gap for Low-Wage Workers and Their Families" (Washington: Economic Policy Institute, 2007), available at <http://www.sharedprosperity.org/bp198.html>.
- 14 The official poverty measure does not take the EITC into account; these figures are based on an alternative measure that does.
- 15 Bruce D. Meyer and Dan T. Rosenbaum, "Making Single Mothers Work: Recent Tax and Welfare Policy and Its Effects." In Bruce Meyer and Douglas Holtz-Eakin, eds., *Making Work Pay: The Earned Income Tax Credit and Its Impact on America's Families* (New York: Russell Sage Foundation, 2002)
- 16 CBPP: <http://www.cbpp.org/cms/index.cfm?fa=view&id=2547> Recovery Agreement Temporarily Expands Child Tax Credit for Large Numbers of Children in Every State Together With Other Credits, Will Keep an Estimated 1 Million Children in Working Families Out of Poverty
- 17 Note that researchers caution that child care and employment decisions are interdependent and that there is limited evidence of a one-way linear relationship. Stephanie A. Schaefer and others, "Parent Employment and the Use of Child Care Subsidies" (New York: National Center for Children in Poverty, 2006), available at [http://www.nccp.org/publications/pdf/text\\_709.pdf](http://www.nccp.org/publications/pdf/text_709.pdf).
- 18 DeNavas-Walt, Proctor, and Smith, *Income, Poverty and Health Insurance Coverage in the United States: 2010*.
- 19 Amy Finkelstein and others, "The Oregon Health Insurance Experiment: Evidence from the First Year" (Cambridge, MA: National Bureau of Economic Research, 2011), available at <http://www.nber.org/papers/w17190>.
- 20 Nancy K. Cauthen, "When Work Doesn't Pay: What Every Policymaker Should Know" (New York: National Center for Children in Poverty, 2006), available at [http://nccp.org/publications/pdf/text\\_666.pdf](http://nccp.org/publications/pdf/text_666.pdf).
- 21 Nancy K. Cauthen, "Scheduling Hourly Workers: How Last Minute, 'Just-In-Time' Scheduling Practices Are Bad for Workers, Families and Business" (New York: Demos, 2011), available at [http://www.demos.org/pubs/Scheduling\\_Hourly\\_Workers.pdf](http://www.demos.org/pubs/Scheduling_Hourly_Workers.pdf).
- 22 Arloc Sherman, "Despite Deep Recession and High Unemployment, Government Efforts — Including the Recovery Act — Prevented Poverty from Rising in 2009, New Census Data Show" (Washington: Center on Budget and Policy Priorities, 2011), available at <http://www.cbpp.org/cms/index.cfm?fa=view&id=3361>.
- 23 U.S. Department of Labor, "Summary: The Role of Unemployment as an Automatic Stabilizer During a Recession," Press release, November 16, 2010, available at <http://www.dol.gov/opa/media/press/eta/eta20101615fs.htm>.
- 24 Margaret C. Simms, "Weathering Job Loss: Unemployment Insurance" (Washington: Urban Institute, 2008), available at [http://www.urban.org/UploadedPDF/411730\\_job\\_loss.pdf](http://www.urban.org/UploadedPDF/411730_job_loss.pdf).
- 25 Pew Charitable Trusts, "A Year or More: The High Cost of Long-Term Unemployment" (2011), available at [http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Economic\\_Mobility/long\\_term\\_unemployment\\_update\\_january\\_2011.pdf](http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Economic_Mobility/long_term_unemployment_update_january_2011.pdf).
- 26 Nancy K. Cauthen, "From Quiet Concern to Controversy: The Transformation of Aid to Dependent Children, 1935-1967," Unpublished doctoral dissertation, New York University, 1998.
- 27 Affirmative Options Coalition, "Is 'welfare' the only unemployment safety net available to some workers?" (St. Paul, MN), available at [http://www.affirmativeoptions.org/index.php?option=com\\_content&view=article&id=109:welfare-as-safety-net&catid=80:welfare-to-work&Itemid=138](http://www.affirmativeoptions.org/index.php?option=com_content&view=article&id=109:welfare-as-safety-net&catid=80:welfare-to-work&Itemid=138)
- 28 LaDonna Pavetti and Liz Schott, "TANF'S Inadequate Response to Recession Highlights Weakness of Block-Grant Structure" (Washington: Center for Budget and Policy Priorities, 2011), available at <http://www.cbpp.org/files/7-14-11tanf.pdf>.
- 29 Ibid.
- 30 50-State Policy Wizard. National Center for Children in Poverty, Columbia University.
- 31 Arloc Sherman. Safety Net Effective at Fighting Poverty But Has Weakened for the Very Poorest. Center on Budget and Policy Priorities, July 6, 2009

- 
- 32 Dottie Rosenbaum and Zoe Neuberger, "Food and Nutrition Programs: Reducing Hunger, Bolstering Nutrition" (Washington: Center for Budget and Policy Priorities, 2005), available at <http://www.cbpp.org/cms/?fa=view&id=510>.
  - 33 Arloc Sherman, "Despite Deep Recession and High Unemployment, Government Efforts — Including the Recovery Act — Prevented Poverty from Rising in 2009, New Census Data Show" (Washington: Center on Budget and Policy Priorities, 2011), available at <http://www.cbpp.org/cms/index.cfm?fa=view&id=3361>.
  - 34 Will Fischer, "Public Housing Squeezed Between Higher Utility Costs and Stagnant Funding: Low-Income Families Will Bear Brunt of Shortfalls" (Washington: Center for Budget and Policy Priorities, 2006), available at <http://www.cbpp.org/files/10-11-06hous.pdf>; Barbara Sard and Douglas Rice, "President's 2007 Budget Renews Same Number of Housing Vouchers Funded in 2006, But Many Local Programs Could Face Cuts Due to Flawed Funding Formula" (Washington: Center for Budget and Policy Priorities, 2006), available at <http://www.cbpp.org/files/3-13-06hous.pdf>.
  - 35 José García and Tamara Draut, "The Plastic Safety Net: How Households Are Coping in a Fragile Economy" (New York: Demos, 2009), available at [http://www.demos.org/pubs/psn\\_7\\_28\\_09.pdf](http://www.demos.org/pubs/psn_7_28_09.pdf).
  - 36 Reid Cramer and others, "The Assets Agenda 2011: Policy Options to Promote Savings and Asset Development" (Washington: New America Foundation, 2010), available at [http://assets.newamerica.net/sites/newamerica.net/files/policydocs/Assets\\_Agenda\\_2011.pdf](http://assets.newamerica.net/sites/newamerica.net/files/policydocs/Assets_Agenda_2011.pdf).
  - 37 Henry Chen and Robert I. Lerman, "Do Asset Limits in Social Programs Affect the Accumulation of Wealth?" (Washington: Urban Institute, 2005), available at [http://www.urban.org/UploadedPDF/311223\\_asset\\_limits.pdf](http://www.urban.org/UploadedPDF/311223_asset_limits.pdf).
  - 38 Douglas Nelson, "The High Cost of Being Poor: Another Perspective on Helping Low Income Families Get Buy and Get Ahead" (Baltimore: Annie E. Casey Foundation, 2003), available at <http://www.aecf.org/upload/PublicationFiles/DA3622H5040.pdf>.
  - 39 Debbie Gruenstein Bocian, Wei Li, and Keith S. Ernst, "Foreclosures by Race and Ethnicity: The Demographics of a Crisis" (Washington: Center for Responsible Lending, 2010), available at <http://www.responsiblelending.org/mortgage-lending/research-analysis/foreclosures-by-race-and-ethnicity.pdf>.
  - 40 Ibid.

# Indicators

## Nutrition assistance

Increasing the share of eligible individuals receiving Supplemental Nutrition Assistance Program benefits means more people can access assistance when they need it and can see their income lifted above poverty.

1

### Supplemental Nutrition Assistance Program

AVERAGE MONTHLY PARTICIPATION (PERSONS)

State/Territory	FY 2007	FY 2010	State/Territory	FY 2007	FY 2010
Alabama	545,955	805,095	Montana	79,969	113,570
Alaska	56,161	76,445	Nebraska	120,634	162,817
Arizona	544,688	1,018,171	Nevada	122,224	278,105
Arkansas	379,768	466,598	New Hampshire	59,101	104,375
California	2,048,185	3,238,548	New Jersey	414,503	622,022
Colorado	250,704	404,679	New Mexico	233,918	356,822
Connecticut	212,562	336,064	New York	1,801,984	2,757,836
Delaware	67,185	112,513	North Carolina	882,946	1,346,495
District of Columbia	86,519	118,493	North Dakota	45,122	59,888
Florida	1,232,803	2,603,185	Ohio	1,076,764	1,607,422
Georgia	950,038	1,591,078	Oklahoma	421,316	582,492
Guam	26,614	36,926	Oregon	438,498	705,035
Hawaii	89,629	138,166	Pennsylvania	1,135,146	1,574,783
Idaho	87,068	194,033	Rhode Island	76,315	138,966
Illinois	1,246,400	1,645,722	South Carolina	545,293	797,110
Indiana	587,156	813,403	South Dakota	60,246	95,336
Iowa	238,349	340,304	Tennessee	864,870	1,224,023
Kansas	182,407	269,710	Texas	2,422,198	3,551,581
Kentucky	602,022	778,114	Utah	123,475	247,405
Louisiana	650,357	825,918	Vermont	52,612	85,538
Maine	162,602	229,731	Virginia	515,032	786,157
Maryland	317,825	560,848	Virgin Islands	13,281	20,328
Massachusetts	456,192	749,121	Washington	536,333	956,004
Michigan	1,204,409	1,776,368	West Virginia	269,343	341,156
Minnesota	276,414	430,346	Wisconsin	382,770	715,213
Mississippi	426,116	575,674	Wyoming	22,608	34,799
Missouri	671,397	901,349	<b>TOTAL</b>	<b>26,316,045</b>	<b>40,301,878</b>

Source: Food and Nutrition Service, SNAP Average Monthly Participation, USDA, 2011. Available at <http://www.fns.usda.gov/pd/15SNAPpartPP.htm>

# Unemployment benefits

Increasing the number of unemployed workers who gain access to unemployment insurance benefits will lift more families out of poverty.

2

## Percentage of unemployed receiving any unemployment benefits

PAST 12 MONTHS (AVERAGE MONTHLY)

State	Total unemployed (in thousands)	All progs recip rate (%)	State	Total unemployed (in thousands)	All progs recip rate (%)
AL	202.15	53.25	NE	45.44	72.25
AK	28.93	79.39	NV	200.77	63.06
AZ	316.19	57.04	NH	45.1	60.06
AR	106.55	54.8	NJ	425.74	99.47
CA	2,259.94	63.34	NM	80.2	63.42
CO	239.68	59.87	NY	824.08	78.22
CT	173.41	82.31	NC	476.43	74.54
DE	36.1	71.82	ND	14.61	50.66
DC	32.96	36.31	OH	594.54	58.2
FL	1,064.69	54.59	OK	123.77	40.55
GA	479.99	83.72	OR	214.95	80.09
HI	41.62	72.16	PA	548.97	96.39
ID	70.62	69.12	PR	208.69	57.36
IL	681.3	67.78	RI	66.96	55.84
IN	319.57	61.88	SC	241.8	59.6
IA	102.61	68.18	SD	21.5	28.9
KS	105.76	61.71	TN	297.46	55.27
KY	218	51.16	TX	994.48	47.45
LA	155.18	47.16	UT	105.97	48.71
ME	55.27	57.6	VT	22.47	76.02
MD	222.55	55.36	VA	289.15	36.18
MA	297.06	85.39	WA	339.51	67.51
MI	596.83	70.49	WV	71.27	55.86
MN	216.91	72.76	WI	255.34	89.21
MS	137.1	49.76	WY	20.46	55.36
MO	288.78	52.22	<b>US</b>	<b>14,825</b>	<b>66.05</b>
MT	36.06	75.53			

Source: Employment and Training Administration, Unemployment Insurance Data Summary Department of Labor, 2011

# Affordable housing

Increasing the availability of safe and affordable housing reduces economic hardship among low-income families.

3

## State housing gap (2009)

AFFORDABLE AND AVAILABLE UNITS PER 100 TENANTS AT OR BELOW INCOME THRESHOLD

State	ELI	VLI	State	ELI	VLI
AL	42	77	MT	49	76
AK	39	72	NE	46	82
AZ	25	54	NV	19	38
AR	43	76	NH	47	62
CA	22	36	NJ	34	53
CO	27	68	NM	45	68
CT	38	67	NY	36	56
DE	35	55	NC	39	72
DC	37	53	ND	51	106
FL	24	38	OH	36	78
GA	39	68	OK	41	80
HI	34	47	OR	21	48
ID	27	65	PA	40	71
IL	32	63	RI	44	66
IN	34	76	SC	45	76
IA	41	87	SD	60	92
KS	40	79	TN	40	70
KY	48	83	TX	30	59
LA	44	68	UT	30	66
ME	49	66	VT	41	62
MD	41	66	VA	45	72
MA	49	71	WA	31	60
MI	28	61	WV	48	79
MN	44	71	WI	30	72
MS	47	71	WY	36	92
MO	40	77			

ELI- Extremely low income (0-30% of State Median Family Income)

VLI- Very low income (0-50% State Median Family Income)

Source: National Low Income Housing Coalition 2009 analysis

# Indicators

## Affordable banking

Increasing access to affordable banking is an important component in helping families save and build assets.

4

### Percentage of population that is unbanked

WITHOUT CHECKING AND SAVINGS ACCOUNTS (NUMBERS IN THOUSANDS)

<b>All U.S. households</b>	Black number unbanked: 3,356	White number unbanked: 2,774
Number: 118,574	Percent unbanked: 21.7	Percent unbanked: 3.3
Number unbanked: 9,085	Hispanic number unbanked: 2,549	Other number unbanked: 406
Percent unbanked: 7.7	Percent unbanked: 19.3	Percent unbanked: 6.4

	Number	Number unbanked	Percent unbanked		Number	Number unbanked	Percent unbanked
<b>Midwest</b>				<b>Northeast</b>			
Illinois	4,911	304	6.2*	Connecticut	1,374	73	5.3*
Indiana	2,445	180	7.4	Maine	5	14	2.6*
Iowa	1,229	57	4.7*	Massachusetts	2,637	108	4.1*
Kansas	1,147	73	6.4	New Hampshire	524	12	2.2*
Michigan	3,938	265	6.7	New Jersey	3,141	233	7.4
Minnesota	2,131	56	2.6*	New York	7,749	761	9.8*
Missouri	2,473	204	8.2	Pennsylvania	4,958	251	5.1*
Nebraska	708	38	5.4*	Rhode Island	423	26	6.2
North Dakota	275	13	4.8	Vermont	256	11	4.2*
Ohio	4,596	328	7.1	<b>South</b>			
South Dakota	332	16	4.8*	Alabama	1,911	222	11.6*
Wisconsin	2,322	99	4.3*	Arkansas	1,135	115	10.1
<b>West</b>				Delaware	341	19	5.6*
Alaska	250	11	4.3*	District of Columbia	301	37	12.2*
Arizona	2,630	197	7.5	Florida	7,567	527	7.0
California	13,094	1,013	7.7	Georgia	3,765	457	12.2*
Colorado	2,000	138	6.9	Kentucky	1,754	208	11.9*
Hawaii	439	13	2.9*	Louisiana	1,769	155	8.7
Idaho	566	38	6.7	Maryland	2,169	121	5.6*
Montana	419	16	3.8*	Mississippi	1,118	184	16.4*
Nevada	981	67	6.9	North Carolina	3,749	306	8.2
New Mexico	780	89	11.4*	Oklahoma	1,445	141	9.8
Oregon	1,558	88	5.7*	South Carolina	1,790	182	10.2*
Utah	902	15	1.7*	Tennessee	2,517	249	9.9*
Washington	2,643	103	3.9*	Texas	8,891	1,040	11.7*
Wyoming	221	9	4.0*	Virginia	2,996	153	5.1*
				West Virginia	756	47	6.3

Note: Figures do not always reconcile with totals because of rounding of household weights to represent population totals  
 \*Estimates for this sample were statistically different from the national average at 10%

Source: FDIC National Survey of Unbanked and Underbanked Households, FDIC, 2009. Available at [http://www.fdic.gov/householdsurvey/Full\\_Report.pdf](http://www.fdic.gov/householdsurvey/Full_Report.pdf)

# Affordable child care

Increasing safe and affordable child care options will allow more families to increase their income through work.

5

## Child care income eligibility limits for a family: 2010

State	As annual dollar amount	As percent of poverty	As percent of state median income		As annual dollar amount	As percent of poverty	As percent of state median income
Alabama	\$23,808	130%	47%	Montana	\$27,468	150%	52%
Alaska	\$46,248	253%	69%	Nebraska	\$21,972	120%	37%
Arizona	\$30,216	165%	54%	Nevada	\$43,248	236%	75%
Arkansas	\$28,345	155%	62%	New Hampshire	\$45,775	250%	61%
California	\$45,228	247%	70%	New Jersey	\$36,620	200%	45%
Colorado	\$23,803-54,108	130-296%	37-85%	New Mexico	\$36,620	200%	82%
Connecticut	\$61,556	336%	75%	New York	\$36,620	200%	56%
Delaware	\$36,624	200%	55%	North Carolina	\$37,476	205%	69%
District of Columbia	\$45,775	250%	84%	North Dakota	\$29,556	161%	52%
Florida	\$27,465	150%	49%	Ohio	\$27,468	150%	46%
Georgia	\$35,200	192%	61%	Oklahoma	\$35,100	192%	73%
Hawaii	\$47,124	257%	66%	Oregon	\$33,874	185%	60%
Idaho	\$23,184	127%	46%	Pennsylvania	\$36,620	200%	58%
Illinois	\$36,624	200%	56%	Rhode Island	\$32,958	180%	47%
Indiana	\$23,256	127%	40%	South Carolina	\$27,465	150%	53%
Iowa	\$26,556	145%	45%	South Dakota	\$38,150	208%	70%
Kansas	\$33,876	185%	58%	Tennessee	\$31,044	170%	60%
Kentucky	\$27,468	150%	53%	Texas	\$27,465-44,524	150-243%	52-85%
Louisiana	\$37,896	207%	73%	Utah	\$31,992	175%	58%
Maine	\$45,775	250%	81%	Vermont	\$36,600	200%	59%
Maryland	\$29,990	164%	37%	Virginia	\$27,468-45,780	150-250%	40-67%
Massachusetts	\$39,207	214%	50%	Washington	\$36,624	200%	56%
Michigan	\$23,880	130%	38%	West Virginia	\$27,468	150%	58%
Minnesota	\$32,994	180%	47%	Wisconsin	\$33,876	185%	54%
Mississippi	\$34,999	191%	79%	Wyoming	\$48,175	263%	79%
Missouri	\$23,520	128%	42%				

Source: National Women's Law Center

The income eligibility limits shown in the table represent the maximum income families can have when they apply for child care assistance. Some states allow families, once receiving assistance, to continue receiving assistance up to a higher income level than that initial limit. Changes in income limits were calculated using raw data, rather than the rounded numbers shown in the table. Further detailed analysis of this table is available on National Women's Law Center's website at [www.NWLC.org](http://www.NWLC.org)