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REPORT: FEDERAL POLICY CHANGES NEEDED
TO MAKE WORK SUPPORTS WORK FOR AMERICANS
Benefits Dilemma – What Happens When Eligibility Vanishes
Before Families Are Self-Sufficient?

New York City – Forty-one percent of America’s children live in low-income families, and, under the current economic crisis, the number of families struggling to make ends meet is only increasing. With a federal minimum wage of $7.25 an hour, many parents find themselves in low-wage jobs that do not provide the income necessary to afford their family’s basic expenses.

A new report from the National Center for Children in Poverty (NCCP) finds that America’s work support system – which includes benefits such as earned income tax credits, public health insurance coverage, child care assistance, and food stamps – can help these struggling families close the gap between low earnings and basic living expenses. But the researchers at NCCP, part of the Mailman School of Public Health at Columbia University, note that the current patchwork of federal and state work support policies is inadequate. Within the current system, there is insufficient access to benefits among eligible families, and small increases in family income can trigger sharp reductions in benefits, leaving families no better off than before.

“Work supports can make a big impact in the lives of low-income families, but a greater federal investment is needed to encourage and reward hard work,” said Jessica Purmort, the NCCP researcher who authored the report Making Work Supports Work: A Picture of Low-wage Workers in America. “The focus for the Obama administration should be to ensure that when parents earn more, their families are always better off.”

NCCP conducted multi-state analyses to get a national picture of how Americans are faring, especially during these difficult economic times. Results indicated that across states, it takes far more than a low-wage job to pay for even the most basic necessities, such as rent, food, child care, and transportation. In Ohio, for example, a single parent with two children living in Toledo needs to earn almost $42,000 a year, or over $20 an hour, just to make ends meet. That’s more than double the state minimum wage and far more than the state median wage.

Eligibility for work support programs is typically based on income, so as earnings rise, families begin to lose eligibility for benefits. In some cases, even a small raise can lead to a substantial benefit loss. As a result, parents can work and earn more with no financial benefit for their families.
Recent policy changes authorized by the American Recovery and Reinvestment Act of 2009 – including expanded income tax credits – reveal that policymakers are willing to invest in supports for low-income working families.

“To build on these efforts, policymakers could consider increasing housing assistance in addition to other work support programs,” says Yumiko Aratani, senior research associate at NCCP. “Housing is one of the greatest expenses that families face. However, due to long waiting lists, very few eligible families receive access to housing assistance. An increased federal investment in public housing and housing voucher programs could help families struggling to afford this basic living expense.”


The National Center for Children in Poverty (NCCP) is the nation’s leading public policy center dedicated to promoting the economic security, health and well-being of America’s low-income families and children. Part of Columbia University’s Mailman School of Public Health, NCCP uses research to inform policy and practice with the goal of ensuring positive outcomes for the next generation.