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Contact: Mike Morey, 914-833-7093
Visit www.nccp.org

AS NATIONAL BUDGET IS NEGOTIATED, NATION’S LEADING CHILD AND FAMILY
POLICY ANALYSTS EMPHASIZE “CATCH 22” IN CURRENT SYSTEM OF SUPPORTS

Nearly 15 million children in this country have a parent who works full time yet can’t afford basic
daily necessities. This troubling reality should be a top concern as the Senate and House work toward a
joint budget resolution. The National Center for Children in Poverty (NCCP) calls on members of the
US Congress to consider the latest data in “Economic Insecurity: Implications of Federal Budget

“Economic Insecurity” explains a “Catch 22” for low-wage working families: as parents increase their
earnings – especially as earnings rise above the federal poverty level – families begin to lose eligibility
for the public benefits that support work, such as the Earned Income Tax Credit, health insurance, and
food stamps. These supports erode just as work-related expenses, such as child care and transportation,
increase. Earning more may actually leave a family with fewer resources after the bills are paid.

The report illustrates the impact of the dramatic benefit cuts included in budget proposals put forth by
the President and the US Congress. The simulations used in the report are based on hypothetical
families, each with two children, one preschool-aged and one school-aged, living in four major US
cities. These examples illustrate the kinds of effects on low-income working families that we can
expect nationwide if proposed benefits cuts are implemented.

“Economic Insecurity” uses the Family Resource Simulator, a dynamic online tool created by NCCP to
help policymakers assess work incentives for low-income families. It demonstrates graphically how a
parent can earn more without a family becoming more financially secure.

NCCP, which has been at the forefront of calls to consider children in the Social Security debate,
designed the Family Resource Simulator to help policymakers, advocates, researchers, and the media
better understand how policies affect the ability of low- to moderate-income working families to cover
their basic expenses. Calculations are based on user choices regarding family composition, income and
assets, benefits participation, and expenses such as child care and health insurance.

For more information or to arrange an interview, please contact Michael Morey or Ivette Zamora at
(914) 833-7093.

The National Center for Children in Poverty (NCCP) is a nonprofit, non partisan research and policy
organization at the Mailman School of Public Health, Columbia University. Our mission is to use research to
identify and promote strategies that prevent child poverty in the United States and that improve the lives of low-
income children and families.