



For Immediate Release
April 28, 2005

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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 Proposals for Low-Income Working Families**," available online at www.nccp.org.

"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.