State policies that promote the economic security of our nation’s families can help offset larger economic and social conditions that make it difficult for families to get by and get ahead. This four-part profile provides data on Kentucky’s low-income children and families and highlights state policy choices regarding families’ work attachment and advancement, income adequacy, and asset development.

In Kentucky, there are 546,916 families, with 995,479 children. Among these children, 49 percent live in families that are low-income, defined as income below twice the federal poverty level (nationally, 45 percent of children live in low-income families). Young children are particularly likely to live in low-income families.

Low wages and a lack of higher education contribute to families having insufficient incomes. Nationally, 48 percent of low-income children have at least one parent who works full-time, year-round; in Kentucky, the figure is 41 percent.

Parents without a college education often struggle to earn enough to support a family, but only 20 percent of adults in Kentucky have a bachelor’s degree. A substantial portion of children in Kentucky whose parents only have a high school diploma--68 percent--are low income.

Children of foreign-born parents are also more likely to be low income than children of native-born parents.

Percent of children who are low-income by parental education, 2011

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Kentucky</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No high school degree</td>
<td>88%</td>
<td>86%</td>
</tr>
<tr>
<td>Only a high school degree</td>
<td>68%</td>
<td>66%</td>
</tr>
<tr>
<td>Beyond a high school degree</td>
<td>36%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Percent of children who are low-income by parents’ nativity, 2011

<table>
<thead>
<tr>
<th>Nativity Status</th>
<th>Kentucky</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children w/native-born parents</td>
<td>48%</td>
<td>41%</td>
</tr>
<tr>
<td>Children w/immigrant parents</td>
<td>63%</td>
<td>63%</td>
</tr>
</tbody>
</table>
WORK ATTACHMENT AND ADVANCEMENT

State Choices to Promote Child Care Affordability and Access

Child Care and Development Fund (CCDF) Subsidies

- Earnings limit for a single-parent family of 3
  - $24,900/year
- Co-payment as percent of income for family of 3 at 150% FPL, 1 child in care
  - 11%
- Providers prohibited from charging additional fees
  - No
- Provider payment rates at least 75th percentile of market rate
  - No

State Child and Dependent Care Tax Credit

- Refundable credit available
  - No
- Benefit structure
  - Credit of 20% of federal credit
- Max benefit for family with 2 qualifying children
  - $420/year

State Choices to Promote Access to Health Insurance

Public Health Insurance for Parents

- Applicant earnings limit for single parent with 2 children
  - $10,908/year
- Parents eligible up to same limit as children, single parent with 2 children
  - No
- Legal immigrants eligible for state-funded benefits when barred from federal
  - No
- Legal immigrants otherwise barred from benefits eligible for prenatal care
  - No

Public Health Insurance for Children

- Medicaid income eligibility limit as % of FPL for children ages 1-5 in family of 3
  - 150%
- Medicaid income eligibility limit as % of FPL for children ages 6-19 in family of 3
  - 150%
- SCHIP (separate program) income eligibility as % of FPL for children in family of 3
  - 200%

Low-income children who have parents working full- or part-time, 2011

- Kentucky
  - Parent employed full-time: 34%
  - Parent employed part-time: 41%
- U.S.
  - Parent employed full-time: 32%
  - Parent employed part-time: 48%

Health insurance status by age, 2007

- Children who lack health insurance
  - Kentucky: 8%
  - U.S.: 11%
- Adults who lack health insurance
  - Kentucky: 18%
  - U.S.: 20%

Employer-based health insurance coverage, 2000 and 2006

- Individuals under 65 (2000)
  - Kentucky: 70%
  - U.S.: 68%
- Individuals under 65 (2006)
  - Kentucky: 62%
  - U.S.: 63%
- Children under 18 (2000)
  - Kentucky: 71%
  - U.S.: 66%
- Children under 18 (2006)
  - Kentucky: 58%
  - U.S.: 60%
State Choices to Promote Access to Benefits for the Under- and Unemployed

Unemployment Insurance

- State counts most recent earnings when determining eligibility: No
- Eligible if seeking part-time work: No
- State has general provision recognizing "good cause" for quitting work: No

Temporary Assistance for Needy Families (TANF) Cash Assistance

- Earnings limit for a single-parent family of 3: $10,908/year

Official unemployment rate, 2007

- U.S.: 4.6%
- Kentucky: 5.5%

Part-time workers who want full-time work, 2003

- U.S.: 13%
- Kentucky: 12%

Income Adequacy

State Choices to Increase and Supplement Wages

Minimum Wage Standards

- Indexed to inflation: Not applicable

State Earned Income Tax Credit

- Refundable credit available: No state credit
- Percent of federal EITC: No state credit

State Choices to Reduce Tax Burdens

Income Tax Liability

- Income tax threshold for single-parent family of 3: $17,200/year
- Income tax threshold for two-parent family of 4: $20,700/year
- Income tax burden for single-parent family of 3 at 100% FPL: $0/year

Income tax burden for two-parent family of 4 at 100% FPL: $85/year
Median annual household income for family of four, 2006:

- U.S.: $70,354
- Kentucky: $60,202

Workers covered by a union, 1987 and 2007:

- 1987:
  - Kentucky: 18%
  - U.S.: 11%
- 2007:
  - Kentucky: 19%
  - U.S.: 13%
**State Choices to Promote Access to Paid Leave**

**Family and Medical Leave**

State provisions for paid leave\(^{29}\) None

**State Choices to Promote Adequate Benefits for the Under- and Unemployed**

**Unemployment Insurance**

| Minimum weekly benefit (no dependents)\(^{30}\) | $39/week |
| Additional dependent allowance provided\(^{30}\) | No |
| Weekly benefit amount is indexed to average weekly wage\(^{31}\) | Yes |
| Potential duration of benefits\(^{32}\) | 15 - 26 weeks |

**Food Stamps**

Legal immigrants eligible for state-funded benefits when barred from federal\(^{34}\) No

**Temporary Assistance for Needy Families (TANF) Cash Assistance**

| Annual maximum benefit for family of 3\(^{21}\) | $3,144/year |
| Treatment of child support income\(^{35}\) | No pass-through. First $50 disregarded for gross income test. If applicant meets gross income test, full amount disregarded for purposes of eligibility and benefits. |

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![Households facing hardships, 2006\(^{33}\)](image)
ASSET DEVELOPMENT AND PROTECTION

State Policy Choices to Promote Asset Development

Individual Development Accounts

State-supported IDA program in operation\(^{36}\)  No

State Choices to Promote Asset Protection

Public Health Insurance for Parents

Assets disregarded for eligibility determination\(^{14}\)  No ($2,000)

Public Health Insurance for Children

Assets disregarded for Medicaid eligibility\(^{27}\)  Yes

Assets disregarded for SCHIP (separate program) eligibility\(^{14}\)  Yes

Food Stamps

Treatment of vehicles in asset test\(^{38}\)  Aligned to TANF cash assistance rules

Temporary Assistance for Needy Families (TANF) Cash Assistance

Assets disregarded for eligibility determination\(^{21}\)  No

Treatment of vehicles in asset test\(^{21}\)  Excludes all vehicles owned by household

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Children who are "asset poor," 2004\(^{39}\)

<table>
<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>Kentucky</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children with no assets</td>
<td>30%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Homeownership rate, 2007\(^{40}\)

<table>
<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>Kentucky</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeownership rate</td>
<td>68%</td>
<td>73%</td>
</tr>
</tbody>
</table>

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DATA NOTES AND SOURCES

Data were compiled from 50-state sources. Some state policy decisions may have changed since these data were collected.

1. National data were calculated from the 2011 American Community Survey, representing information from 2011. State data were calculated from the 2009-2011 American Community Survey, representing information from the years 2009 to 2011.
2. As of April 1, 2007, the income limit to qualify for assistance in 2007 was increased to $25,764 to adjust for the 2007 federal poverty level.
4. If the state calculates co-payments based on the cost of care, figure reflects the co-payment for a 4-year-old in licensed, nonaccredited center care at the maximum state payment rate.
6. States were asked to report state reimbursement rates and the 75th percentile of market rates for their state's most populous city, country, or region. Data reflect basic provider payment rates (higher rates may be available for particular types of care). Rates are considered below the 75th percentile if they are based on an out-dated market rate survey (more than 2 years old).
8. The benefit cannot exceed the claimant's tax liability.
9. Figure reflects limit under Medicaid plan with highest income eligibility limit for parents, taking into account the value of earnings disregards (which may be time-limited in some cases).
10. Value reflects comparison of applicant earnings limit for a single parent with 2 children to the highest Medicaid or SCHIP program eligibility limit for children ages 6-19.
11. Lawful permanent residents (LPRs) are generally barred from federal benefits during their first 5 years as LPRs, unless they entered the U.S. before 8/22/96. Exceptions include refugees and U.S. veterans (and their families). See data source for more details.
12. States have the option of using federal State Children's Health Insurance Program (SCHIP) funds to provide prenatal care to women regardless of immigration status. They can also extend prenatal care to immigrant women using state funds.
13. Limit includes SCHIP-funded Medicaid expansions, where applicable.
14. Figures reflect the percent of of children (under age 18) and adults (ages 18-64) who did not have health insurance coverage at any point during the year.
15. Figures reflect the percent of children under age 18 and the percent of adults under 65 who were covered by employer-based health insurance during at least part of the year.
16. Figures reflect the percent of children under age 18 and the percent of adults under 65 who were covered by employer-based health insurance during at least part of the year.
17. In most states, the base period consists of the first 4 of the 5 most recently completed quarters. Some states allow claimants to use an alternative base period that includes more recent earnings.
18. A general "good cause" provision extends eligibility to persons who leave their jobs for "personal emergencies" or "compelling circumstances", which should include--among others--child care conflicts, illness, domestic violence, and spousal relocation.
Eligibility determinations, however, may vary in practice. States may also specifically recognize certain reasons as "good cause"; for more information see Appendix B in Rebecca Smith, Rick McHugh, Andrew Stettner, and Nancy Segal, Between a Rock and a Hard Place: Confronting the Failure of State Unemployment Insurance Systems to Serve Women and Working Families, National Employment Law Project, 2003.

Rebecca Smith, Rick McHugh, Andrew Stettner, and Nancy Segal, Between a Rock and a Hard Place: Confronting the Failure of State Unemployment Insurance Systems to Serve Women and Working Families, National Employment Law Project, July 2003.

Figure reflects the percent of people age 16 and above who do not have a job but are available for and actively seeking work. U.S. Department of Labor, Bureau of Labor Statistics, "Unemployment Rates for States, Annual Average Rankings, 2007," http://www.bls.gov (accessed March 14, 2008).

Figure reflects the percent of part-time workers who are available to work full-time, but usually work less than 35 hours per week due to slack work or unfavorable business conditions, inability to find full-time work, or seasonal declines in demand. U.S. Department of Labor, Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 2003, "Estimates for States, Table 16: Employed and Unemployed Persons by Full- and Part-Time Status, Sex, Age, Race, and Hispanic or Latino Ethnicity," http://www.bls.gov (accessed March 14, 2008).


State EITC Online Resource Center, http://www.stateeitc.com (accessed June 3, 2009); with additional information from NCCC.

Calculations include income tax credits that are available to all low-income families in the state, such as state earned income tax credits.


Percent of employed workers who are covered by a collective bargaining agreement.


These reflect provisions for private sector employees; more generous rules may apply for the public sector.


Potential duration is the maximum number of weeks of benefits that a claimant is eligible for under the regular state program. In most states, it is determined based on the amount and distribution of the recipient's earnings in the base period; eight states have a uniform potential duration for all claimants.


Food Insecurity:

Figure reflects the percent of households forced to reduce food intake, disrupt normal eating patterns, or go hungry because they lack the money or resources to obtain adequate food.


Housing Insecurity:

Figure reflects the percent of families living in rental units who pay 30 percent or more of their income on housing.


Adult lawful permanent residents (LPRs) are generally barred from federal benefits during their first 5 years as LPRs. Exceptions include refugees and U.S. veterans (and their families). See data source for more details.


A child support pass-through is the amount of collected child support that the state gives to families on whose behalf the child support was collected. A child support disregard is the amount of child support that the family can keep without lowering their TANF benefits.


Community-based IDA programs are operating in all states but often without state support. Also, in some states without state-supported IDA programs, IDA legislation was passed but never implemented due to lack of state funding, or IDA legislation expired, and no new state support was allocated.


Rule applies to SCHIP-funded Medicaid expansions, where applicable.


Households in which all members receive TANF cash assistance or SSI benefits do not have to meet gross income or asset eligibility criteria. Most states also waive these criteria for recipients of certain other benefits; some states waive these criteria for nearly all applicants.


Figure reflects the percent of children in households that have insufficient net worth to subsist at the federal poverty level for three months in the absence of income.

Figure reflects the percent of households who are homeowners.