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 low-income children and families in the United States and summarizes state policy choices regarding families’ work attachment and advancement, income adequacy, and asset development.

In the United States, there are 39.9 million families, with 72.5 million children. Among these children, 45 percent live in low-income families, defined as income below twice the federal poverty level (for 2011, $44,700 for a family of four). Young children are particularly likely to live in low-income families—49 percent of children under the age of 6 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.

Parents without a college education often struggle to earn enough to support a family, but only 27 percent of adults in the U.S. have a bachelor’s degree. A substantial portion of children in the U.S. whose parents only have a high school diploma—66 percent—are low income.

Children of foreign-born parents are also more likely to be low income than children of native-born parents—63 percent of children of immigrant parents live in low-income families.

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

<table>
<thead>
<tr>
<th>Parental Education</th>
<th>Low-income Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No high school degree</td>
<td>86%</td>
</tr>
<tr>
<td>Only a high school degree</td>
<td>66%</td>
</tr>
<tr>
<td>Beyond a high school degree</td>
<td>31%</td>
</tr>
</tbody>
</table>
Children in the United States by income level, 2011

- Above low income: 45%
- Less than 100% FPL: 22%
- 100-200% FPL: 22%
- Low income: 55%

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

- Children with native-born parents: 63%
- Children with immigrant parents: 37%

Employment status of parents of low-income children, 2011

- Full-time, year-round: 48%
- Part-time or part-year: 32%
- Not employed: 20%

50-State Profiles and Report

For policy and demographic information for your state, visit www.nccp.org/profiles/fes.html. Each state profile also provides links to 50-state tables of all policy and demographic information that can be viewed and downloaded. To learn more about the policy choices that states make and why they matter, see NCCP’s recent report, Staying Afloat in Tough Times: What States Are and Aren’t Doing to Promote Family Economic Security (www.nccp.org/publications/pub_833.html).

WORK ATTACHMENT AND ADVANCEMENT

State Choices to Promote Child Care Affordability and Access

Child Care and Development Fund (CCDF) Subsidies

- 15 states set earnings limit at or above 200% of the federal poverty level (FPL) for a single-parent family of three.²
- 33 states set co-payment at or below 10% of income, for a family of three, 150% FPL, one child in care.³
- 14 states prohibit providers from charging additional fees.⁴
- 9 states set provider payment rates to at least 75th percentile of market rate.⁵

State Child and Dependent Care Tax Credit

- 13 states have a refundable credit available.⁶
State Choices to Promote Access to Health Insurance

Public Health Insurance for Parents

4 states set applicant earnings limit at or above 200% FPL for single-parent family of three.⁷

0 states set parents’ eligibility up to same limit as children.⁸

11 states grant eligibility to legal immigrants for state-funded benefits when barred from federal.⁹

17 states grant eligibility for prenatal care to legal immigrants otherwise barred from benefits.¹⁰

Public Health Insurance for Children

44 states set income eligibility limit for public health insurance (Medicaid/SCHIP) at or above 200% FPL for a family of three for children ages birth to 18.¹¹

0 states ¹²

Health insurance status by age, 2007¹³

Employer-based health insurance coverage, 2000 and 2006¹⁴
State Choices to Promote Access to Benefits for the Under- and Unemployed

Unemployment Insurance

19 states count more recent earnings with alternate base period.\(^{15}\)

27 states grant some eligibility to those seeking part-time work.\(^{16}\)

15 states have general "good cause" provision.\(^{17}\)

Temporary Assistance for Needy Families (TANF) Cash Assistance

12 states set earnings limit at or above 75% FPL for a single-parent family of three.\(^{18}\)

Income Adequacy

State Choices to Increase and Supplement Wages

Minimum Wage Standards

0 states\(^ {12}\)

7 states\(^ {21}\)

State Earned Income Tax Credit

20 states have enacted a refundable state EITC.\(^ {22}\)

12 states with a refundable credit set their state EITC at or above 10% of the federal EITC.\(^ {22}\)

State Choices to Reduce Tax Burdens

Income Tax Liability

26 states set their income tax threshold for a two-parent family of four above 100% FPL.\(^ {23}\)

24 states have no tax burden for two-parent family of four at 100% FPL.\(^ {23}\)
Workers covered by a union, 1987 and 2007

1987: 19%
2007: 13%
State Choices to Promote Access to Paid Leave

Family and Medical Leave

6 states have enacted provisions for paid family and/or medical leave.26

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

Unemployment Insurance

13 states provide an additional dependent allowance.27
32 states index weekly benefit amount to average weekly wage.28
12 states provide at least 20 weeks of benefits to all recipients.29

Food Stamps

7 states grant eligibility for state-funded benefits to legal immigrants when barred from federal.30

Temporary Assistance for Needy Families (TANF) Cash Assistance

22 states provide an annual maximum benefit for family of three of at least $5,000.18
22 states pass through or disregard a portion of child support income.32

ASSET DEVELOPMENT AND PROTECTION

State Policy Choices to Promote Asset Development

Individual Development Accounts

18 states have a state-supported IDA program in operation.33

State Choices to Promote Asset Protection

Public Health Insurance for Parents

23 states disregard assets in determining parents’ eligibility for public health insurance.11

Public Health Insurance for Children

48 states disregard assets in determining children’s eligibility for public health insurance.11

Food Stamps

50 states make their food stamp eligibility rules more generous than federal rules, generally by aligning their treatment of vehicles to a TANF-funded program.34
Children who are "asset poor," 2004

- New York: 40%
- U.S.: 30%
- Maine/Vermont: 15%

Homeownership rate, 2007

- West Virginia: 78%
- U.S.: 68%
- District of Columbia: 47%
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.
3. 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.
5. 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). Karen Schulman and Helen Blank, State Child Care Assistance Policies 2007: Some Steps Forward, More Progress Needed, National Women’s Law Center, September 2007.
7. 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).
9. 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.
11. 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. 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.
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.
20. 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 McGhugh, 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 McGhugh, 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.


20. 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](http://www.bls.gov) (accessed March 14, 2008).


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


29. 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. U.S. Department of Labor, Office of Workforce Security, *Comparison of State UI Laws, 2006*, [http://www.ows.doleta.gov](http://www.ows.doleta.gov) (accessed July 11, 2007).


32. 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. Jan Justice, *State Policy Re Pass-Through and Disregard of Current Month's Child Support Collected for Families Receiving TANF-Funded Cash Assistance*, Center for Law and Social Policy, 2007.

33. 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. Center for Social Development, Washington University, "Summary Tables: IDA Policy in the States, Table 1," October 2006, [http://gwweb.wustl.edu](http://gwweb.wustl.edu).

34. 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.

35. 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. Corporation for Enterprise Development, *Assets and Opportunity Scorecard*, [http://www.cfed.org](http://www.cfed.org) (accessed February 25, 2008).

36. Figure reflects the percent of households who are homeowners. U.S. Census Bureau, "Housing Vacancies and Homeownership, Annual Statistics 2007, Table 13," [http://www.census.gov](http://www.census.gov) (March 14, 2008).