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**For America's Struggling Families, Economic Assistance is Not One-size-fits-all**
*Study: State Policies Vary Widely*

**New York City** – A new report out this week shows that while every state in the union has families who are struggling to balance insufficient wages with the rising costs of necessities, conditions for those families vary widely from state to state – as do individual state policy responses.

Researchers at the National Center for Children in Poverty (NCCP), part of Columbia University's Mailman School of Public Health, found dramatic differences across the states, detailed in their report, *Staying Afloat in Tough Times: What States Are and Aren't Doing to Promote Family Economic Security*.

"These are challenging economic times for America's families. Low- and moderate-income workers have seen their wages stagnate or decline, while the cost of basic necessities continues to rise," says Nancy K. Cauthen, PhD, deputy director of NCCP and a co-author of the report. "We are particularly concerned about the profound effect economic hardship can have on children, so we wanted to know what states are doing about it."

*Staying Afloat in Tough Times* tracks specific state-level policies that can help families both avoid and cope with economic hardship. According to Sarah Fass, NCCP policy associate and lead author of the report, "States have really taken the lead over the last decade in policy efforts to help low-income families, but it means that assistance is much more uneven across the states."

The report examines three categories of state policy choices that affect the ability of low-wage workers to achieve financial security: work attachment and advancement, income adequacy, and asset development and protection.

**Among the study's findings:**

*Work Attachment and Advancement* – Researchers looked at policies that make it possible for parents to obtain and maintain employment, such as child care assistance and public health insurance. They found that:

- Few states provide access to child care subsidies for families with earnings at or above the "low-income" level (defined as twice the federal poverty level, or $42,400 for a family of four).
- More than half the states offer tax credits (or deductions) to offset the cost of child care, but most of these provisions primarily benefit middle- and upper-income families.

(more)

- Eligibility for public health insurance for children tends to be more generous: 41 states set income eligibility at or above the low-income mark. However, eligibility levels for public health insurance for parents are dramatically lower than those for children.

*Income Adequacy* – For many low-wage workers, earnings from full-time work are insufficient to provide for a family's basic needs – such as housing, food, transportation, and child care – especially with the skyrocketing costs of food and gas. Many states have adopted policies that seek to boost and supplement low wages:

- Forty percent of states have enacted a refundable earned income tax credit, which helps offset other tax expenditures.
- Roughly half the states have a minimum wage higher than the federal minimum of $6.55 an hour, although fewer than half of these states index that wage to inflation.
- Half of the states exempt families whose income is below the official poverty level from state income taxes.
- But very few states have enacted paid family or medical leave policies.

*Asset Development and Protection* – Savings and assets are necessary to help families survive a crisis, plan for the future, and improve living standards. But families who are struggling just to get by are hard pressed to save. According to the report, states have made only modest efforts to address this issue.

- Eighteen states offer state-supported Individual Development Accounts (IDAs).
- Most states disregard family assets in determining children's eligibility for public health insurance, but fewer than half of the states disregard family assets in determining parents' eligibility for public health insurance.

Although the authors note that state policies have made important differences in the everyday lives of struggling families, they conclude that stronger action is needed at the federal level. "States efforts offer models that can be adapted for the national level," says Cauthen. "But the fact is that as a nation, we've passed the point where states alone can be expected to make up for what America's workers have lost. If American families are to thrive – and their children are to succeed in a global economy – the federal government needs to step up."

The full report, *Staying Afloat in Tough Times: What States Are and Aren't Doing to Promote Family Economic Security*, is available free online at: www.nccp.org/publications/pub_833.html

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*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.*