

FOR RELEASE 11:30 A.M. TUESDAY, JUNE 26, 2007
CONTACT: Mike Owen, 319-338-0773, ipp@lcom.net

Bridging the Gap Between Income and Needs New Report Shows Child Care Aid, Food Stamps Falling Short

DES MOINES, Iowa (June 26, 2007) — Thousands of low-wage workers in Iowa are not receiving work supports intended to help bridge the gap between earnings and basic family needs, according to a report by the Iowa Policy Project (IPP).

The new research finds that programs such as Child Care Assistance and Food Stamps only cover between 25 and 88 percent of eligible Iowans, depending on the program.

“Our research shows that Iowa can do better in reaching hard-working families and providing vital support services. Work supports play an important role in providing families with the income and services they need to stay at work,” said Elaine Ditsler, research associate for the nonpartisan IPP.

Specifically, the report, *Bridging the Gaps in Iowa*, found:

- Child Care Assistance reaches only one-third of 56,000 eligible Iowa children;
- Subsidized housing reaches only one-quarter of 96,000 eligible Iowa households; and
- Food Stamps reach only approximately two-thirds of 318,000 eligible Iowans.

The federal Earned Income Tax Credit (EITC) had the highest rate of take up among the programs, with 88 percent of those eligible claiming the benefit. A new law passed by the 2007 Iowa General Assembly will ensure that even tax filers with no state tax liability benefit from the state EITC next year.

Ditsler noted that eligibility for some public benefits, such as Child Care Assistance, phase out quickly in Iowa, leaving families worse off after a small pay raise or increase in work hours. In other cases, a needy family may not qualify for work supports in the first place because of strict eligibility requirements.

“There is no excuse for so many families to go without Child Care Assistance. Iowa could do much more to expand eligibility and access to this critical work support,” Ditsler said.

The report is part of *Bridging the Gaps*, a multi-state project led by the Center for Economic and Policy Research and the Center for Social Policy at the University of Massachusetts (Boston). IPP staff gathered Iowa-specific data and cooperated with CEPR on the analysis of six public work supports: Food Stamps, Medicaid/*hawk-i*, Public Housing, the Earned Income Tax Credit, Child Care Assistance and Temporary Assistance to Needy Families.

The Iowa Policy Project is a nonpartisan, nonprofit research and policy analysis organization based in Mount Vernon. IPP reports are available at www.iowapolicyproject.org.