

[CLASP: Policy Solutions That Work for Low-Income People \(http://www.clasp.org/\)](http://www.clasp.org/)

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## Tapping into Resources:

### Recommendations to States for Addressing Poverty in Tough Economic Times

Far too many Americans live in households that fall below the federal poverty threshold, even in good economic times. But in this tough economy, more and more Americans, especially those already struggling to make ends meet, are falling into poverty.

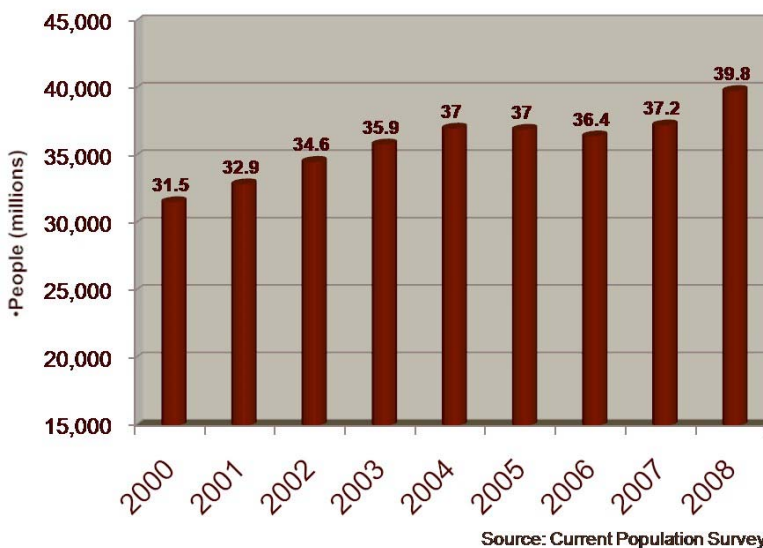
The national poverty rate climbed 0.7 percent to 13.2 percent in 2008, the first statistically significant increase since 2004 and the highest rate since 1997, according to the Census [Current Population Survey \(http://www.census.gov/prod/2009pubs/p60-236.pdf\)](http://www.census.gov/prod/2009pubs/p60-236.pdf). Data from the Census [American Community Survey \(http://www.census.gov/prod/2009pubs/acsbr08-1.pdf\)](http://www.census.gov/prod/2009pubs/acsbr08-1.pdf) reveal that 21 states and the District of Columbia had poverty rates above the national average in 2008.

Given the recession that began in December 2007, the poverty increase is not surprising. But it is not solely attributable to the economic downturn either. In fact, the percent of Americans in poverty continually inched up most of this decade in spite of relatively strong economic growth.

The quandary for states is that the recession has meant less revenue at just the time when even more resources are needed to help families and individuals. While there is no simple solution for addressing poverty during a recession, there are some low- to no-cost policy changes (including options made available through the [American Recovery and Reinvestment Act \(http://www.clasp.org/federal\\_policy?id=0002\)](http://www.clasp.org/federal_policy?id=0002)) states can make to help those who are struggling most, including:

- **Ensure child care assistance is available** so parents can look for work or maintain employment. The American Recovery and Reinvestment Act provided \$2 billion in Child Care and Development Block Grant (CCDBG) funds to states to help low-income parents access child care. States can use these funds to provide subsidies to additional families, including those currently on wait lists. States also can make policy changes to make more low-income families eligible for subsidies during job search. Further, states may extend time limits on job search to accommodate longer periods of unemployment in this challenging economy. Read [Making Use of Economic Recovery Funds: Child Care Policy Options for States \(http://www.clasp.org/admin/site/publications/files/0463.pdf\)](http://www.clasp.org/admin/site/publications/files/0463.pdf) for more information.
- **Remove barriers to SNAP (Food Stamp) benefits** to ensure more families get access to needed nutrition

People in Poverty: 2000 to 2008



assistance. SNAP is a major component of the safety net, preventing hunger and allowing families to make ends meet in tough times. It's also counter-cyclical, bringing purchasing power into local food stores. Because SNAP benefits are paid from 100 percent federal funds, removing barriers to SNAP access has minimal impact on state budgets. States should use "categorical eligibility," to remove gross income and asset tests. States also should improve their application and redetermination processes to reduce the burden on recipients.

- **Tap into the TANF Emergency Fund** to provide benefits and subsidized jobs to low-income families, not just those receiving cash assistance. The \$5 billion TANF Emergency Fund provides 80 percent federal funding for increases in TANF spending in one of three areas: basic cash assistance, non-recurrent, short-term benefits, and subsidized employment. States can thus provide low-income families with additional money and services at a far-reduced cost. Moreover, states can use existing TANF funds or get contributions from foundations, employers, or merchants for the 20 percent non-federal share. More information is available at [http://www.clasp.org/issues/pages?type=temporary\\_assistance&id=0001](http://www.clasp.org/issues/pages?type=temporary_assistance&id=0001) ([.J.J.J.J.J.J.J./issues/pages?type=temporary\\_assistance&id=0001](http://www.clasp.org/issues/pages?type=temporary_assistance&id=0001))
- **Adopt reforms to Unemployment Insurance Programs** that would expand access to benefits for low-income and part-time workers. Such reforms are needed to aid low-income workers, who are less likely to have high school diplomas, more likely to have part-time jobs, and who have the highest rates of unemployment. The ARRA included a \$7 billion unemployment insurance modernization fund that will pay for the cost of these improvements for an average of seven years.
- **Connect people in work sharing programs to part-time training opportunities.** Seventeen states have work sharing programs that allow employers to avoid short-term layoffs by reducing employees' hours instead of eliminating jobs. For example, instead of cutting 20 percent of the workforce, employers can reduce all employees' hours by 20 percent. Eligible employees can then receive partial unemployment benefits. States with work sharing programs can encourage employees who have reduced hours to take advantage of part-time training opportunities during their down time. For example, depending on their work schedules, workers can enter basic skills and occupational training programs provided by community colleges and other training providers. Read [Work Sharing: An Alternative to Layoffs for Tough Times \(http://www.clasp.org/admin/site/publications/files/0481.pdf\)](http://www.clasp.org/admin/site/publications/files/0481.pdf) for more information.
- **Establish paid sick days policies** that require employers to ensure workers can earn needed time off to tend to their own or a family member's health. About half of private sector workers and 77 percent of workers in the bottom wage quartile have no paid sick days. Without paid sick days, many low-income workers face the impossible choice of going to work sick or losing a much-needed day's pay, or, perhaps losing their jobs. Some localities have enacted laws to protect private sector workers. San Francisco, D.C., and Milwaukee have passed paid sick days laws and efforts are underway in at least 13 states to move bills. See CLASP's [Primer to Support Paid Sick Days \(http://www.clasp.org/issues/pages?type=work\\_life\\_and\\_job\\_quality&id=0001\)](http://www.clasp.org/issues/pages?type=work_life_and_job_quality&id=0001) for more information.

States should access American Recovery and Reinvestment Act funds as well as other federal resources to help low-income families who are most vulnerable in this period of economic uncertainty. Further, state and federal policymakers should commit to sustained, adequate investments in programs that equip low-income people with access to education, job opportunities and other resources to move out of poverty and thrive. See CLASP's [Federal Policy Recommendations for 2009 and Beyond \(.J.J.J.J.J./publications/files/federalpolicyrecommendations.pdf\)](http://www.clasp.org/publications/files/federalpolicyrecommendations.pdf) for more information on policy solutions that work for low-income people.