

Issue Brief From THE FAMILY BUDGET ESTIMATOR Project

WORK SUPPORTS



WHAT ARE WORK SUPPORTS?

“Work supports” refers to public benefits intended to help low-income families make ends meet—federal tax credits, Food Stamps, public health insurance, cash assistance, child care subsidies, and housing assistance.

WHY ARE WORK SUPPORTS SO IMPORTANT IN TEXAS?

Over the last several decades, low-wage workers in Texas and across the country have seen the earning power of their work decline. With living expenses rising faster than incomes, more and more working families in Texas are struggling to afford housing, food, child care, health care, transportation, and other basic needs. These families are not struggling because they do not work enough—they are struggling because they do not *earn* enough. Simply put, for too many Texas families, hard work alone does not pay enough to meet life’s basic expenses. Income and work supports play a critical role in helping millions of low-income Texans bridge the gap between their earnings and their basic expenses.

WHAT ARE THE MAIN WORK SUPPORT PROGRAMS?

- **Earned Income Tax Credit (EITC):** The EITC helps low-income individuals and families meet their basic needs. It provides a federal income tax refund to those who qualify for and claim the credit, even if they pay no income taxes at all. Since its creation in 1975, the EITC has lifted more children out of poverty than any other government program.¹
- **Food Stamps:** The Food Stamp Program helps low-income people and families buy the food they need for good health. Benefits are provided on an electronic card that can be used to purchase food at most grocery stores.
- **Medicaid/Children’s Health Insurance Program (CHIP):** Medicaid provides health benefits to children, pregnant women, the elderly, people with disabilities, and very poor caretakers of dependent children. CHIP assists low-income families who earn too much to qualify for Medicaid, but cannot afford private insurance for their children. CHIP provides a full range of health services including regular checkups, immunizations, prescription drugs, lab tests, X-rays, and hospital visits.²
- **Temporary Assistance for Needy Families (TANF):** TANF is a federal block grant that provides financial assistance to extremely poor children and the parents or caretakers with whom they are living. Eligible TANF households receive monthly cash benefits and employment services. Working families can also receive child care.
- **Supplemental Security Income (SSI):** SSI is a federal income supplement program designed to help low- and no-income elderly and disabled persons, many of whom cannot work. SSI provides monthly cash payments to help meet basic needs for food, clothing, and shelter.

¹ “Issue Brief From The Family Budget Estimator Project: Savings & Asset Building,” Center for Public Policy Priorities. www.cppp.org

² “Issue Brief From The Family Budget Estimator Project: Health Care,” Center for Public Policy Priorities. www.cppp.org

- *Subsidized Child Care*: The federal Child Care and Development Block Grant provides states with formula and matching funds to offer subsidized child care to low- and moderate-income families.

WHAT IS THE UNMET NEED?

Most federal and state “safety net” or work support programs define the needy as those with incomes below the poverty line. As a result, many low-income workers do not qualify for government aid even though they may earn too little to support their families. Others may qualify for assistance when they have low or no earnings, but become ineligible when they earn more, even if their income is still too low to cover their basic needs. Often, families do not receive services for which they qualify due to a lack of outreach, or because the state has not provided adequate funding for the services or has erected barriers that make benefits hard to access. Together, these shortcomings create a “policy gap,” leaving millions of Texans without enough resources to meet their basic needs.

WORK SUPPORT PROGRAMS AND RESOURCES

- EITC: www.irs.gov/individuals/article/0,,id=118888,00.html
- CHIP: www.chipmedicaid.com/english/index.htm
- Texas Medicaid Program Information: www.hhsc.state.tx.us/medicaid/med_info.html
- Food Stamp Program: www.hhsc.state.tx.us/Programs/TW_FoodStamp.doc
- Subsidized Child Care: www.twc.state.tx.us/svcs/childcare/ccinfo.html
- SSI: <http://www.socialsecurity.gov/ssi/index.htm>
- TANF: www.hhsc.state.tx.us/programs/TexasWorks/TANF.html