

Work Support Programs & Single-Headed Household Economics

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*5th Annual Stepping Stones Research Briefing
Washington Area Women's Foundation
May 7, 2010*

Key Questions

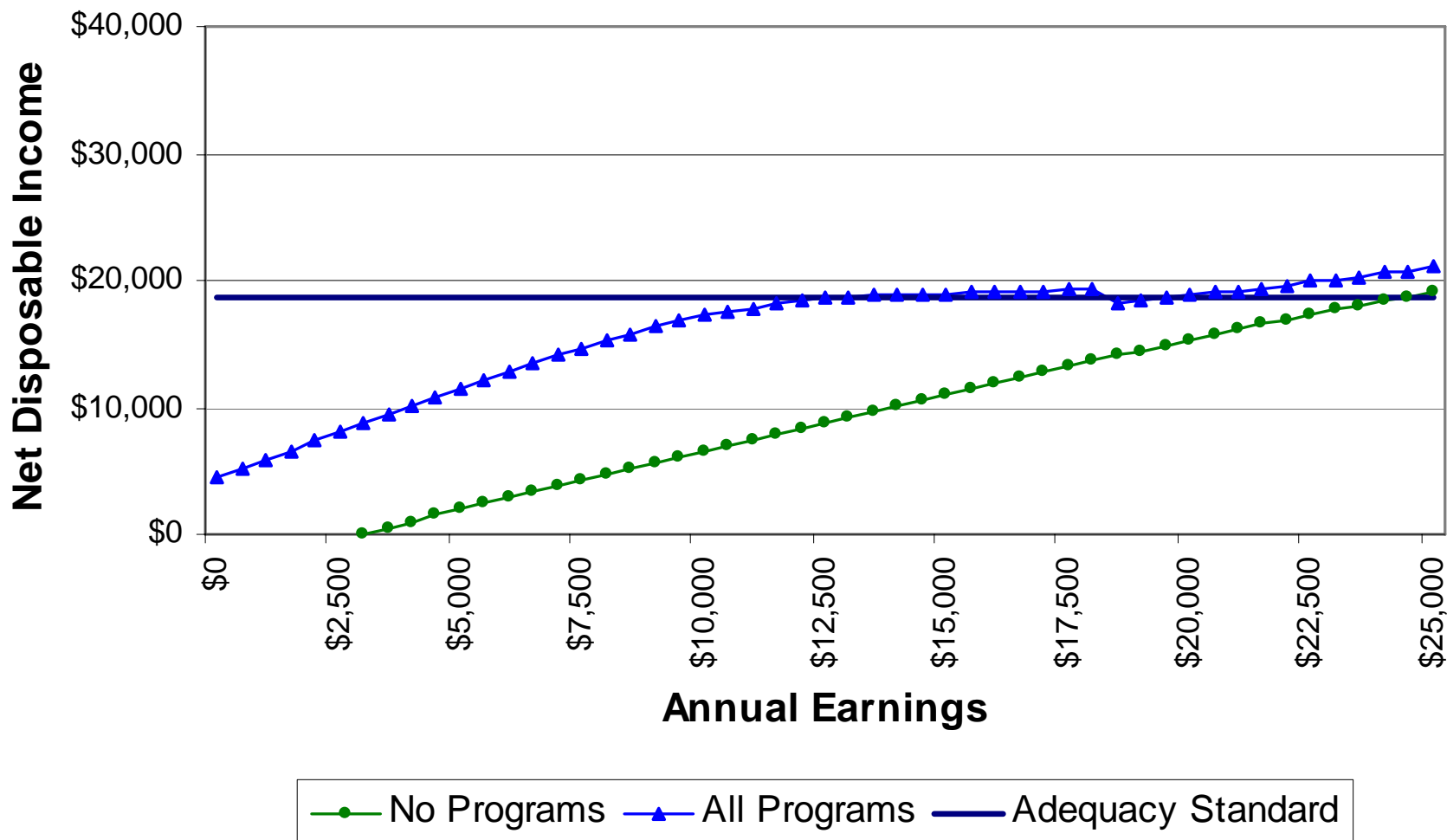
- Structural adequacy of work- and income-support programs
- Actual utilization of work- and income-support programs
- Effect of program structures on ability of households to improve economic situation over time

Work & Income Supports

- Federal & state tax credits
 - Earned Income Tax Credit
 - Child Tax Credit
 - Other refundable/non-refundable credits
- Subsidized child care
- Medicaid / SCHIP
- SNAP (Food Stamps)

Net Disposable Income – All Program Participation vs. No Participation

(Single Parent with Two Children, Wisconsin, 2000)

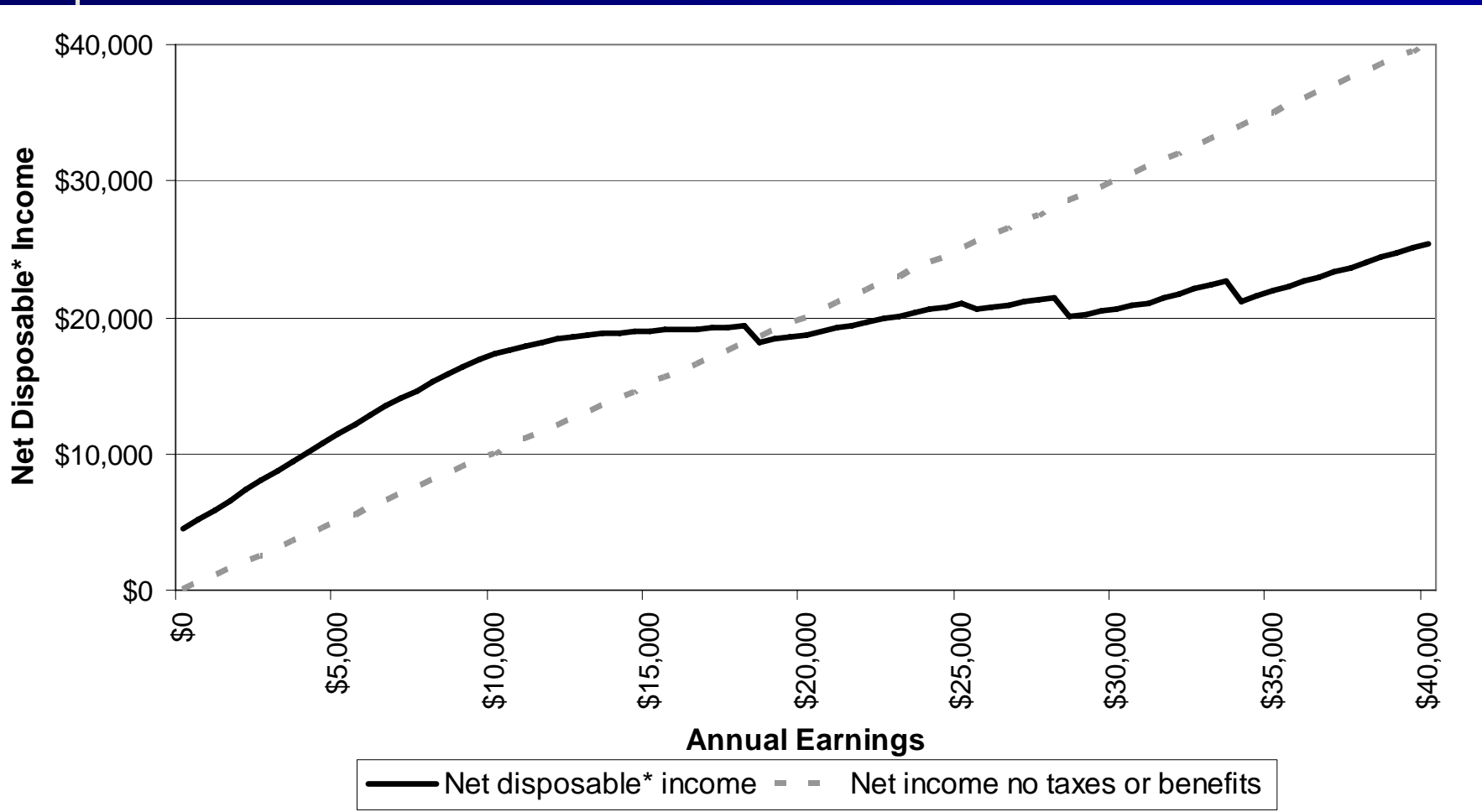


Program Participation by Single Parents with Two Children (Wisconsin, 2000)

	2000	2001	2002
Wisconsin Earned Income Tax Credit	62.5%	61.4%	61.4%
Food Stamps	30.1%	33.6%	36.6%
Medical (Medicaid or BadgerCare)	40.8%	33.7%	35.0%
Wisconsin Shares (child care)	20.4%	22.3%	23.1%

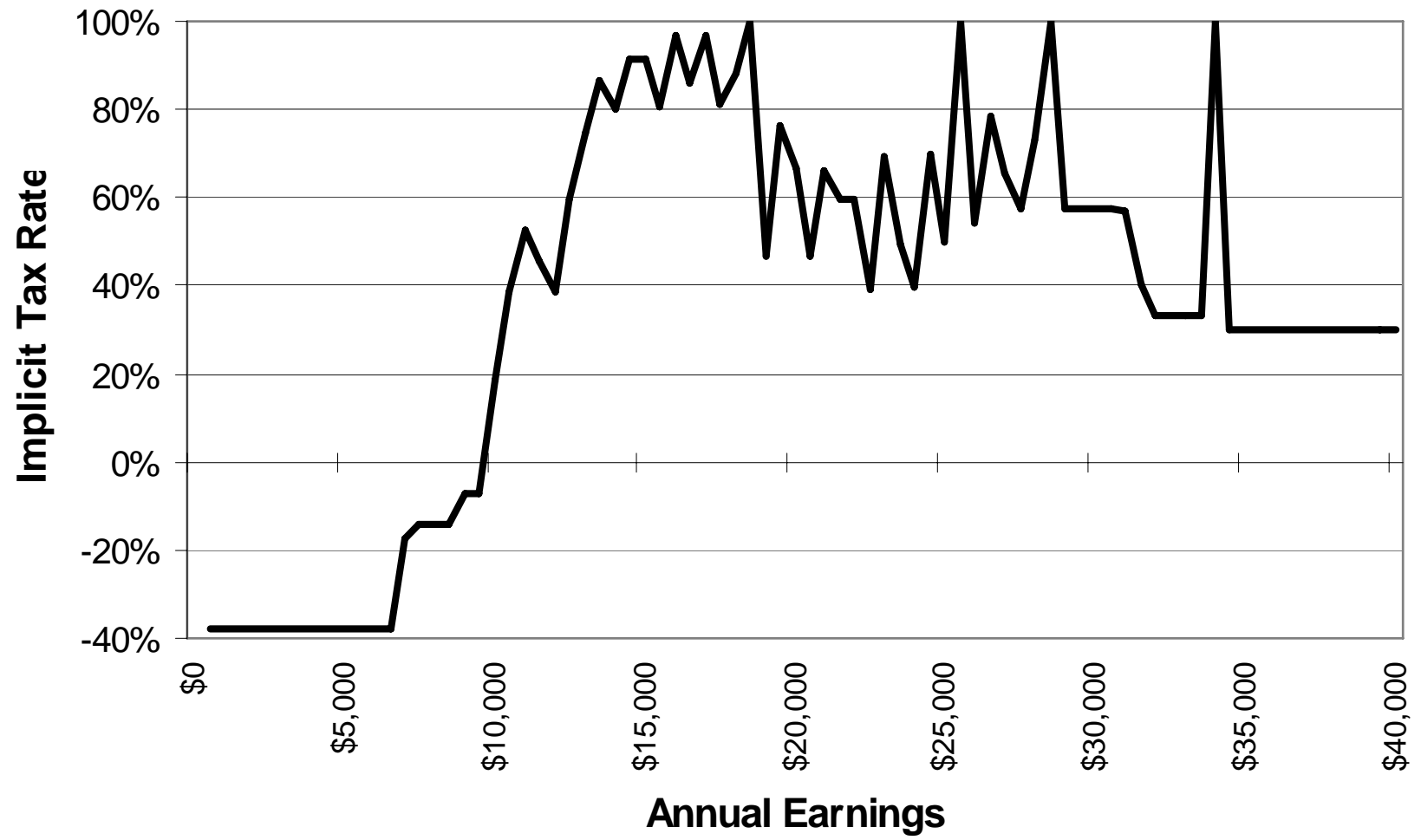
Net Disposable Income with Full Program Participation

(Single Parent with Two Children, Wisconsin, 2000)



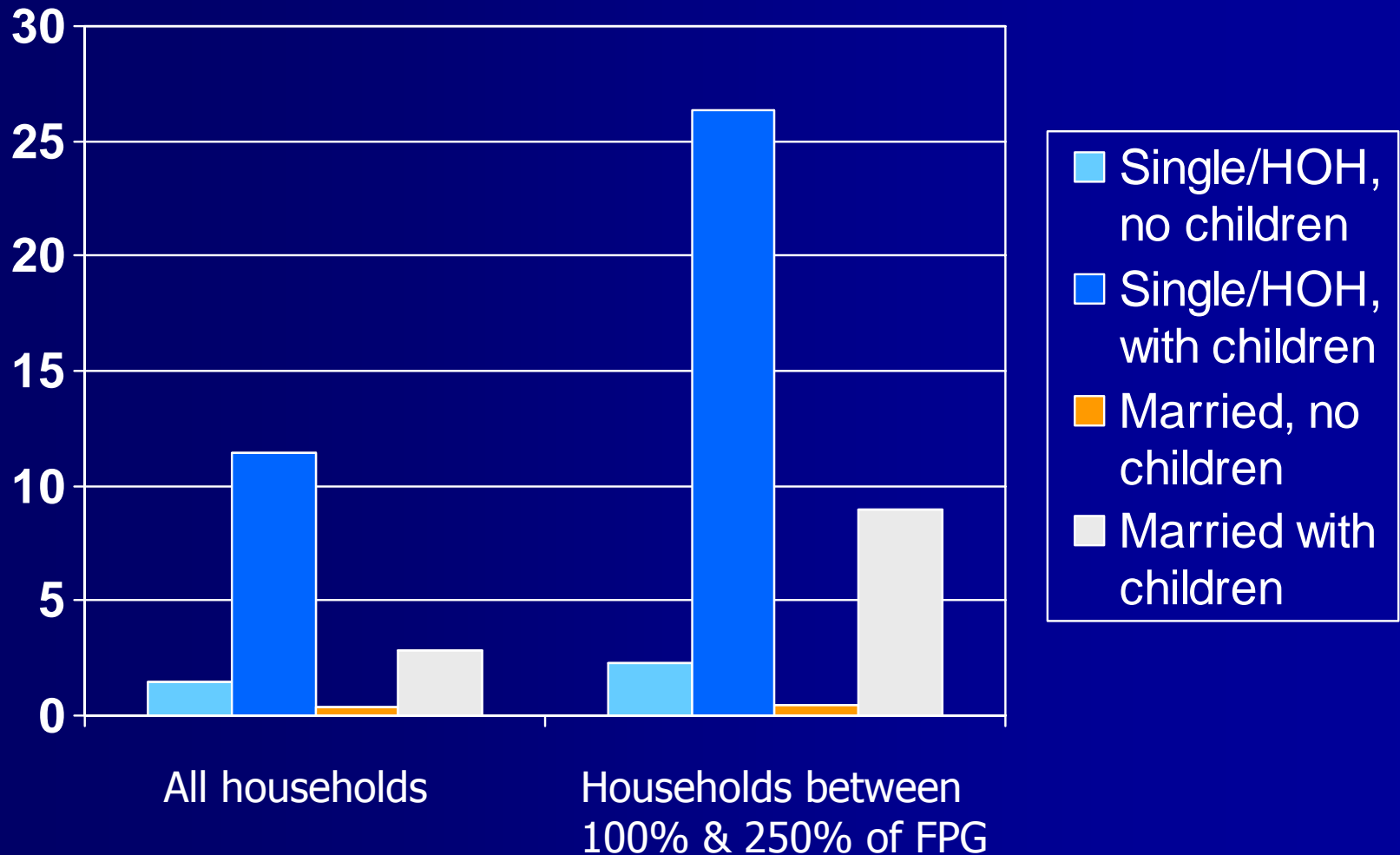
Implicit Tax Rates with Full Program Participation

(Single Parent with Two Children, Wisconsin, 2000)



Incidence of High Marginal Tax Rates (% households with rate of 50% +)

(Wisconsin, 2000)



Change in Incidence over Time (% with marginal rate of 43% +)

(Wisconsin, 2000 through 2002)

	2000	2001	2002
Single with dependent children	26.2%	12.2%	12.7%
1 child	24.4%	9.2%	9.9%
2 children	27.1%	15.7%	15.4%
3+ children	33.4%	18.9%	19.7%

Lessons / Next Steps

- Policy enactment \neq policy success
- Cumulative effects of multiple programs
- Obstacles for lower-income working single heads-of-household

- Need to look at real world impacts
- Replicability of Wisconsin research model