The Great Lakes states, despite recent challenges, have the potential for broad prosperity and innovation and a high quality of life among their residents. Achieving that prosperity, however, requires state and local leaders in the public and private sectors to foster young people’s productivity and well-being. This brief offers concrete recommendations for how state and local policymakers, program administrators, and philanthropies can support the basic needs of low-income children and parents in the Great Lakes states to promote their productivity, well-being, and economic mobility.

Work support programs for youth and families with children (such as health insurance, nutrition assistance, the earned income tax credit, child care subsidies, and paid family leave) stabilize parental employment, increase educational attainment, and promote health and healthy child development. Supporting families’ access to these supports can produce a healthier and more productive generation that can remain in the region and contribute to the vitality of the Great Lakes states.

The Great Lakes states have abundant assets, such as the lakes themselves, relatively high educational levels, and more affordable housing than many other parts of the country. But these states also face serious challenges. For example, median household incomes in five of the six states in the region fell more sharply between 2000 and 2010 than in the US as a whole, in part because manufacturing jobs in the region fell 35 percent. The job growth that followed was mainly in low-wage jobs (Pendall et al. 2017). Our ability to overcome such challenges and thrive as a nation and region is tied to the well-being and productivity of our children and young people, including ensuring that
children enter school ready to learn and grow up ready to enter the labor force. Children’s well-being depends on their parents’ abilities to care for them both economically and in all other ways. Even under the best scenarios for young people growing up in the Great Lakes states, however, some families will have difficulty making ends meet. Having strong supports available in the region enables young families with children to stay in the region to sustain its population while promoting opportunity and economic mobility for the next generation.

BOX 1
About This Policy Brief Series

This brief is part of a series recommending policies that will build ladders of opportunity and economic mobility for young people in the six state Great Lakes region—Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.

The series of policy briefs follows a framing paper that detailed the challenges and opportunities facing the Great Lakes region (Pendall et al. 2017). During the first decade of the 2000s, manufacturing employment and incomes fell substantially, government revenues declined, and young people moved away from the region. Manufacturing has begun to rebound, but communities throughout the region are still dealing with the direct and ripple effects of this unprecedented blow to their economic base. Despite these severe challenges, ample evidence suggests the Great Lakes region has significant assets and a strong foundation that can sustain future economic and population growth and higher levels of prosperity. Ensuring the future productivity, stability, and prosperity of the region, though, requires policies and investments that bolster the people currently living in the Great Lakes states, especially young people.

The series includes five policy briefs with strategies for the following:

- supporting access to high-quality child development and preschool programs (Katz 2017)
- eliminating gaps in K–12 education so all can read by third grade and graduate from high school ready for college or career (Gallagher and Chingos 2017)
- promoting successful transitions to adulthood, higher education, and the workforce (Spaulding 2017)
- reducing criminal and juvenile justice involvement for young people (Jannetta and Okeke 2017)
- supporting basic needs to promote opportunity and economic mobility for young people (this brief)

The in-depth policy analyses and recommendations in these briefs shed light on what needs to be done and what decisionmakers can do to invest in young people and ensure broad-based prosperity and a high quality of life in the Great Lakes region for coming generations.

Several work supports are available to assist children and families in Great Lakes states who are struggling to make ends meet, although access to supports and the level of support available vary by state. Key work supports for low-income families include Medicaid and the Children’s Health Insurance...
Program (CHIP), nutrition assistance (such as the Supplemental Nutrition Assistance Program, or SNAP), federal and state earned income tax credits (EITCs), child care subsidies, and paid family leave.

Evidence of improved child outcomes and opportunities is strong for each of those supports for low-income families. Supports that boost family income and that help children and their parents access food, health care, and child care pay dividends in both the short and long term. Research shows that for very young children, a relatively small increase in family income can significantly improve their employment outcomes as adults. For children in low-income families, a $3,000 increase in annual family income between their prenatal year and fifth birthday is associated with an additional 135 hours of work per year and an average 17 percent increase in annual earnings in adulthood compared with similar children in families whose incomes did not increase (Duncan, Ziol-Guest, and Ariel Kalil 2010). EITC and paid family leave programs increase income for families as well. When families receive help paying for food, health care, and child care, income gets freed up for other purposes and parents’ employment stabilizes, allowing them to earn more income directly.

Work support programs are important not only for all children and for all youth transitioning to adulthood. Two-thirds of community college students surveyed throughout the country reported experiencing food insecurity and half reported experiencing housing insecurity, according to a recent report from the Wisconsin HOPE lab (Goldrick-Rab, Richardson, and Hernandez 2017). These threats to their basic needs affect not only their immediate health and well-being but also their ability to successfully complete their degrees, in turn affecting their prospective employment and wages.

Although research shows these support programs yield positive child outcomes, families are not always able to access them. Paid family leave, for example, is available to relatively few workers, especially those in low-wage jobs. Child care subsidies lack sufficient funding for most families to access them. Even with programs such as Medicaid and SNAP, which are available to all eligible families who apply, not all eligible families access the assistance. Sometimes families are unaware of the program or lack accurate information about their eligibility. Others may find the challenges of applying for and maintaining benefits insurmountable or not worth the effort. To apply for health, nutrition, or child care assistance, for example, a family typically must visit social service offices during regular business hours, which might mean they need to take time off work or bring their children with them. They often need to wait in the office for an extended period; complete a paper application of possibly over 20 pages of detailed questions about their household composition, income, expenses, and other information; and provide extensive documentation to verify their answers. They must repeat this process periodically to continue receiving assistance (Hahn, Amin, et al. 2016).

The federal government provides the bulk of the funding and establishes basic program rules for most work support programs, but states make important policy and practice choices that lead to different levels of access and support for low-income children and parents across the Great Lakes states. State choices about eligibility rules, funding levels, and administrative processes affect both families’ initial access and their ability to continue to receive support. For the region to benefit from increased employment and improved outcomes, state and local policymakers and program administrators should ensure that families know what supports they are eligible for and how to access.
them so that they can make informed decisions about whether to seek assistance. Several changes could help more families access the supports for which they are eligible. For example, several states have found it beneficial to change state policies and practices to streamline and simplify access to work support programs for low-income families. Such streamlining improves the families’ employment and well-being in the short and long term; it also improves efficiency for the state agencies administering the programs (Hahn 2016; Isaacs, Katz, and Kassabian 2016).

Below, for each of the key work supports (Medicaid and CHIP, SNAP, EITC, child care assistance, and paid family leave), we describe the evidence on how the support promote health and healthy child development, increase educational attainment, stabilize parental employment, or affect other short- and long-term outcomes. We then examine the extent to which families in the Great Lakes region have access to the support, noting variation among the states. Finally, we recommend actions for improving families’ access to the support.

Medicaid and CHIP

Medicaid and CHIP are federal and state medical assistance programs that allow nonelderly adults and children who otherwise could not afford it to access health care and improve their use of preventative and primary medical care. Within broad federal guidelines, states establish eligibility rules and other policies and practices. All individuals who meet eligibility requirements are entitled to receive services, and costs are shared between the states and the federal government.

Why Medicaid Matters for Low-Income Children and Parents

Improved access and use of health care is critical for the health of children and their parents and for current parental employment and the future employment of children.

- Research shows that expanded Medicaid and CHIP eligibility not only improves children’s health insurance coverage, access to care and services, and health outcomes (Howell and Kenney 2012) but also yields long-term life improvements for those children. Children who gained access to Medicaid and the state Children’s Health Insurance Program (now known as CHIP) in the 1980s and 1990s paid more in cumulative taxes, collected less in EITC payments, and had higher wages by age 28 (Brown, Kowalski, and Lurie 2015).

- Access to affordable health care helps people maintain their health so they can look for and keep jobs. Illness or disability is the single most common reason that working-age adults living in poverty are not working (Rachidi 2016). According to a recent comprehensive report from the Ohio Department of Medicaid, more than half of people who enrolled in Medicaid after the state expanded eligibility reported that Medicaid made it easier to secure and maintain employment (Gehr and Wikle 2017; Ohio Department of Medicaid 2017).

- Medicaid coverage also improves families’ overall financial circumstances, allowing them to pay for other basic needs, such as food and housing. The resulting reduction in financial stress
further helps them focus on finding and keeping jobs (Gehr and Wikle 2017; Ohio Department of Medicaid 2017).

How Well Do the Great Lakes States Support Low-Income Children and Parents through Medicaid?

State policy and practice differences among the Great Lakes states lead to variation in who is eligible for Medicaid and CHIP and how many eligible individuals participate. One critical policy choice states have made is whether to expand Medicaid for all adults with income up to at least 138 percent of the federal poverty level (FPL). Wisconsin is the only Great Lakes state, and one of 19 states nationally, that has not expanded Medicaid under the Affordable Care Act. However, Wisconsin has a Medicaid program for childless adults and parents whose incomes do not exceed FPL. Eligibility for adults in the other Great Lakes states extends to those with incomes up to 138 or 139 percent of FPL. Among the nearly 12 million people enrolled in Medicaid in the Great Lakes states in 2016, more than 2.5 million enrolled because of the Medicaid expansion. Eligibility for children varies more widely by state, program, and age of child. Among the Great Lakes states, the upper income limit for children's eligibility ranges from 211 percent of FPL in Ohio to 318 percent in Illinois. Table 1 identifies the upper income eligibility limits for children and parents in each of the Great Lakes states.

Beyond the issue of program eligibility is the issue of program participation. A large and growing majority of children eligible for Medicaid or CHIP participate. The participation rate among eligible children in the Great Lakes states ranged from 87 percent in Indiana to nearly 95 percent in Michigan in 2014, and Minnesota increased its participation rate more than 8 percentage points in one year, from 85 percent in 2013 to 93 percent in 2014.

Participation rates among eligible parents, however, are considerably lower than for children nationally and in every state. Before implementation of the Affordable Care Act and Medicaid expansion, Medicaid participation rates for eligible parents trailed those for children by almost 20 percentage points nationally (Kenney et al. 2012).
TABLE 1
Medicaid and CHIP Income Eligibility Limits for Children and Parents as a Percentage of FPL

<table>
<thead>
<tr>
<th>Location</th>
<th>Children (Medicaid/CHIP)</th>
<th>Parents (Medicaid)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States a</td>
<td>255%</td>
<td>138%</td>
</tr>
<tr>
<td>Illinois b</td>
<td>318%</td>
<td>138%</td>
</tr>
<tr>
<td>Indiana c</td>
<td>262%</td>
<td>139%</td>
</tr>
<tr>
<td>Michigan d</td>
<td>217%</td>
<td>138%</td>
</tr>
<tr>
<td>Minnesota e</td>
<td>288%</td>
<td>138%</td>
</tr>
<tr>
<td>Ohio</td>
<td>211%</td>
<td>138%</td>
</tr>
<tr>
<td>Wisconsin f</td>
<td>306%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Sources: Tricia Brooks, Karina Wagnerman, Samantha Artiga, Elizabeth Cornachione, and Petry Ubri, Medicaid and CHIP Eligibility, Enrollment, Renewal, and Cost Sharing Policies as of January 2017: Findings from a 50-State Survey (Menlo Park, CA: Kaiser Family Foundation, 2017), which is based on a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured with the Georgetown University Center for Children and Families.

Notes: CHIP = the Children’s Health Insurance Program; FPL = the federal poverty level.

a Median value for the United States. Medians for CHIP-funded uninsured children are based on the upper limit of coverage.
b In Illinois, infants born to mothers not covered by Medicaid are covered up to 147 percent of FPL in Medicaid and up to 318 percent of FPL under CHIP.
c Indiana uses a state-specific income disregard that is equal to 5 percent of the highest income eligibility threshold for the group.
d In 2016, Michigan expanded CHIP-funded Medicaid expansion coverage to children with incomes between 212 and 400 percent FPL affected by the Flint water crisis.
e In Minnesota, the infant category under Title XIX-funded Medicaid includes insured and uninsured children up to age 2 with incomes up to 275 percent of FPL.
f In Wisconsin, children are not eligible for CHIP if they have access to health insurance coverage through a job where the employer covers at least 80 percent of the cost.


States have control over systems, policies, and practices that can help eligible children and parents enroll in Medicaid and CHIP and retain these vital supports. Changes to CHIP in 2009–10 and the Affordable Care Act in 2010 expanded these tools to boost participation. The following are just a few examples:

- **Use SNAP information for Medicaid enrollment.** The CHIP Reauthorization Act of 2009 included funding for outreach efforts and allowed states to identify and enroll children in Medicaid or CHIP if they were already participating in other programs such as SNAP, school lunch programs, or certain tax programs—a tool known as express lane eligibility. States also have the option to enroll adults in Medicaid using information they already provide to SNAP. These options help more families access Medicaid while reducing duplicative administrative processes and costs.

- **Use electronic data to verify eligibility information.** States can use technology to make their application and renewal processes more efficient and effective, such as by using electronic data...
matches to verify citizenship and other information (Kenney et al. 2012). Relying on electronic data sources (when they are reasonably compatible with applicants’ sworn attestations of their information) can improve application and renewal processes by reducing reliance on paper documentation and by decreasing the number of applicants denied benefits for procedural reasons (Wagner 2016).

- **Use ACA options to simplify enrollment and renewal procedures for parents.** Before the Affordable Care Act in 2010, states had made fewer policy changes to simplify enrollment and renewal procedures for parents than for children (Kenney et al. 2012). However, the ACA generated additional tools and funding that some states have used for this purpose. The ACA requirements related to eligibility and enrollment for health coverage programs necessitated new or updated technology for all states, and the ACA provided federal funding to assist states in making these technological changes (Loprest, Gearing, and Kassabian 2016). States accept applications online and over the telephone, have established online portals to report changes and renew benefits, and have created mobile apps for enrollees to manage their benefits.

### Supplemental Nutrition Assistance Program

SNAP helps low-income individuals and families purchase food and, in turn, provides a boost to local economies. The federal government establishes most of the program rules and pays for the SNAP benefits, and states pay a share of the administrative costs and make decisions about some program procedures. All families and individuals who meet program eligibility criteria are entitled to receive benefits.

The Great Lakes states are home to 1.5 million SNAP households with children, who make up 40 percent of the 3.7 million SNAP households in the region (Farson Gray, Fisher, and Lauffer 2016). Nationwide, 43 percent of the 22.5 million households receiving SNAP in 2015 had children and more than half of these households (55 percent) had earned income. SNAP households with children nationwide received an average of $393 in SNAP benefits per month in 2015.

### Why SNAP Matters for Low-Income Children and Parents

Participating in SNAP can significantly improve children’s short- and long-term outcomes.

- In the short term, SNAP lifts millions of families out of poverty and reduces food insecurity (defined as a lack of access at times to enough food for an active, healthy life) by about one-third.

- When children have adequate nutrition, they are healthier, are more emotionally stable, do better in school, and are more likely to graduate from high school (Carlson et al. 2016; Cook and Frank 2008; Frongillo, Jyoti, and Jones 2006).
Using SNAP benefits to purchase food also allows low-income families to use their earnings for other basic necessities and reduces their need to choose among food, health care, housing, heat, and electricity (Carlson et al. 2016).

These immediate improvements to children’s lives contribute to enormous gains in their futures. Research shows that children who grew up in areas of the country with access to nutrition assistance have lower incidences of obesity, high blood pressure, heart disease, and diabetes as adults than children who grew up at the same time in areas without access to nutrition assistance. Further, girls in that study had improved employment, income, poverty status, high school graduation, and program participation as adults (Hoynes, Schanzenbach, and Almond 2016).

How Well Do the Great Lakes States Support Low-Income Children and Parents through SNAP?

In the Great Lakes states, a large majority of eligible households participate in SNAP, and that share is larger than the national average and a larger share than participated just a few years ago. States contribute to the cost of administering SNAP, but the benefits are funded entirely by the federal government and stimulate the state economy, creating a strong incentive for states to help all eligible households access the program. Although SNAP eligibility rules are generally set by the federal government, state policy and practice choices can expand eligibility and affect how many eligible households enroll in the program. Under federal rules, households with gross incomes no more than 130 percent of FPL ($2,177 for a family of three in 2016) are eligible for SNAP as long as they meet other consistent eligibility requirements. Four of the six Great Lakes states have expanded eligibility by implementing broad-based categorical eligibility—a policy through which households that qualify for a noncash Temporary Assistance for Needy Families or related benefit may become categorically eligible for SNAP. Michigan and Wisconsin have used broad-based categorical eligibility to expand SNAP access to households with gross incomes up to 200 percent of FPL, and Illinois and Minnesota to those earning up to 165 percent of FPL. Five of the states have used broad-based categorical eligibility to raise (Michigan) or eliminate (Illinois, Ohio, Minnesota, Wisconsin) the asset test. Broad-based categorical eligibility certainly improves access and participation and remains an opportunity for Indiana.

In addition to eligibility differences, participation rates among eligible households also varies among the Great Lakes states. Nationally, an estimated 83 percent of eligible households participated in SNAP in 2014, but estimated participation rates in the Great Lakes states ranged from 87 percent in Ohio to 100 percent in Michigan, Illinois, and Wisconsin. Participation rate estimates among the working poor are lower than for eligible households as a whole, averaging just 70 percent nationally in 2014 (Cunyngham 2017). This is important because three-quarters of SNAP households with earnings (“working poor households”) have children. Table 2 identifies each state’s 2014 SNAP participation rates and national rank.
TABLE 2
SNAP Participation in the Great Lakes States, Fiscal Year 2014

<table>
<thead>
<tr>
<th>National rank for participation among eligible people</th>
<th>Participation rate among eligible people</th>
<th>Participation rate among working poor people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan</td>
<td>4</td>
<td>100</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>Illinois</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>Minnesota</td>
<td>19</td>
<td>88</td>
</tr>
<tr>
<td>Indiana</td>
<td>21</td>
<td>88</td>
</tr>
<tr>
<td>Ohio</td>
<td>22</td>
<td>87</td>
</tr>
<tr>
<td>United States</td>
<td>NA</td>
<td>83</td>
</tr>
</tbody>
</table>


Notes: NA = not applicable. Estimated participation rates of 100 percent are the result of differences between the data used to estimate the number of eligible people and the data used to estimate the number of participants; they should not be interpreted to mean that every eligible person is participating in SNAP. For more information on estimation methods, see Cunnyngham (2017).

Great Lakes States Can Streamline and Simplify Access to SNAP through Policies and Technology

Although SNAP programs are more consistent across states than other programs, SNAP’s statutes, regulations, and waivers give states flexibility to alter eligibility and benefits as well as to streamline program administration to make it easier for eligible families to participate in SNAP. Streamlining and simplifying access to SNAP is especially important for working families who would otherwise need to take time away from work to visit a social service office and apply or recertify for SNAP. The Great Lakes states have adopted many options to streamline and simplify access to SNAP, but additional policy and technology options remain:

- **Simplify reporting requirements.** States that require SNAP recipients to report their income and household status less frequently reduce the burden on both families and agency staff and limit the number of families who lose their nutrition assistance for procedural reasons. Illinois, Michigan, and Wisconsin are among the 24 states that have implemented simplified reporting requirements, which allow SNAP recipients to less frequently report their income, household status, and changes to their income. Indiana and Ohio, meanwhile, are among the 28 states that have simplified reporting requirements only, and Minnesota requires monthly reporting but has simplified reporting for changes in income. All Great Lakes states (and 26 other states and territories) allow participants to maintain SNAP eligibility for 12 months rather than the standard practice of requiring participants to recertify their eligibility after six months or less (Food and Nutrition Service 2016).

- **Minimize required document submissions.** States can reduce the number of physical documents applicants need to submit by using electronic data sources and allowing applicants to submit documents electronically. Further, scanning and storing documents electronically...
makes application and renewal processes more efficient than those that rely even in part on paper files. Indiana and Michigan are the only Great Lakes states (among a total of 32 nationwide) in which all SNAP documents are scanned and stored electronically. Illinois and Wisconsin have partially electronic files throughout the state. Minnesota and Ohio are among the six states nationwide that have partially electronic files only in certain areas within the state (Food and Nutrition Service 2016).

- **Allow online recertification.** All Great Lakes states now offer online SNAP application, but only Ohio and Wisconsin are among the 28 states nationwide in which SNAP participants can recertify online as well.

- **Allow participants to access case information online.** The Great Lakes states differ in the extent to which SNAP participants can manage their cases online. SNAP participants in Michigan and Wisconsin can view case information, report changes, and upload documents; those in Illinois, Indiana, and Ohio can only view or report case information online, and Minnesota offers no online case management.

- **Aim for same-day processing.** Although federal rules give states 30 days to determine whether an applicant is eligible for SNAP, that policy leaves some eligible families hungry for an extra month. Rather than focusing on the 30-day deadline, some states aim to give eligible families SNAP benefits the same day they apply if possible. Illinois, for example, made same-day service a priority and saw notable improvement in same-day service, from 13 percent in 2012 to 21 percent in 2015 (Isaacs, Katz, and Amin 2016). States can facilitate faster service generally by increasing the use of telephonic signatures, call centers, and cold-calling applicants for SNAP interviews rather than scheduling them for a later date.

- **Improve language access.** Applying for SNAP and other supports can be daunting even for those whose first language is English; for others, having information in their language can make the difference in their ability to access supports. Minnesota’s SNAP application is available in Hmong, Russian, Somali, Spanish, and Vietnamese. Ohio also has its application in Arabic, Burmese, Chinese, Croatian, Hindi, Hungarian, Korean, Polish, Russian, Somali, Spanish, Ukrainian, and Vietnamese.

Although each of the Great Lakes states has implemented a different mix of policy and technology options to streamline and simplify access to SNAP, Michigan and Wisconsin have adopted more of the options discussed here or done so more extensively than the other states. This may help explain why Michigan and Wisconsin also have the highest SNAP participation rates—both for all eligible people and for working families—among the Great Lakes states.

**Earned Income Tax Credits**

EITCs help low- to moderate-income working people make ends meet by reducing the amount of taxes owed and refunding the difference if the credit is larger than the amount owed. The federal EITC
provided up to $5,572 in tax year 2016 to married couples with two children who earned no more than $50,198 (Internal Revenue Service 2016). In tax year 2015, over four million people in the Great Lakes region received federal EITCs, averaging about $2,350 per recipient, according to Internal Revenue Service data. In addition to the federal EITC, 26 states, including all six of the Great Lakes states and the District of Columbia, have state earned income tax credits.

Why the Earned Income Tax Credit Matters for Low-Income Children and Parents

EITCs can greatly improve opportunity and economic mobility for young people. They are important not only for helping families make ends meet in the short term but also for the dramatic long-term improvements in the lives of children whose families receive them.

- Studies have found that the EITC encourages work, reduces poverty, helps families meet child care expenses and other basic needs, boosts financial assets and savings, improves children’s achievement in school, increases college enrollment, and likely increases children’s earnings as adults (Charite, Dutta-Gupta, and Marr 2012; Marr et al. 2015; Hathaway 2017).
- The EITC reduces family poverty both directly through the tax credit income and by increasing employment income.

How Well Do the Great Lakes States Support Low-Income Children and Parents through EITCs?

In addition to the federal EITC available to families throughout the nation, all six of the Great Lakes states implement state earned income tax credits. Though the federal EITC brings federal funds to families’ home states and can provide an economic stimulus to state budgets, state EITCs require state funds. Michigan spent $360 million on the state EITC in fiscal year 2012. To address state budget issues, both Michigan and Wisconsin reduced their state earned income tax credits in 2011 (Hathaway 2017).

The eligibility rules and credit amounts for state EITCs vary by state. All states except Minnesota set their credits as a percentage of the federal credit; among the Great Lakes states, these range from 6 to 11 percent of the federal credit for a family with two children. (The maximum federal tax credit to married couples with two children was $5,572 in tax year 2016.) Minnesota’s state EITC is based on a percentage of family income (with a maximum credit of $2,064 for a family with two children in 2017), which generally produces larger credits than those in the other states (Hathaway 2017). In each of the Great Lakes states except Ohio, the state EITCs are refundable (Hathaway 2017), meaning that if a family’s credit is larger than what they owe in taxes, they will receive a refund for the difference.

Great Lakes States Can Expand EITC Outreach

Despite the substantial short- and long-term benefits of the EITC to low-income families, an estimated 20 percent of eligible workers nationally do not claim the federal EITC (Hathaway 2017). A Detroit Free Press investigation found that nearly 26,000 Detroit households eligible for the EITC in 2016 did not
receive their combined total of $80 million in refunds because they did not know about or understand their eligibility for the EITC and did not file tax returns.\textsuperscript{6} States should raise awareness of the EITC through targeted informational campaigns that emphasize the importance of filing tax returns to access this widely available tax credit.

**Child Care Assistance**

Child care assistance helps low-income parents access high-quality, affordable care. The primary funding stream for child care subsidies is the Child Care and Development Fund (CCDF, also known as the Child Care and Development Block Grant), which helps low-income parents pay for care so they can work or participate in education and training (Hahn, Adams, et al. 2016).\textsuperscript{7} The federal government contributes a fixed amount of funding to the CCDF, and states must contribute a minimum amount of funding.

**Why Child Care Assistance Matters for Low-Income Children and Parents**

Child care is a critical resource for helping parents maintain employment or complete education or training as well as for healthy child development. Steady employment helps parents provide their children with the stability and resources they need to thrive; knowing their children are safe and well cared for increases parents’ focus and productivity at work, which helps them maintain steady employment (Bradley and Corwyn 2002; Matthews et al. 2015). But child care is expensive, and high-quality care is often unaffordable for low-income families. Low-income families who paid for child care in 2011 spent an average of 30 percent of their income on child care, compared with 7 percent for all families (Laughlin 2013). Child care assistance, then, helps families access quality child care and the associated employment and child well-being outcomes.

- Mothers who received help paying for child care were 40 percent more likely to remain employed two years later and to experience wage growth than those who did not receive help (Boushey 2002).
- Extensive research also shows that high-quality child care improves child outcomes. For example, research shows that children who attend higher-quality child care centers have better math, language, social, and behavioral skills than those in lower-quality settings (Peisner-Feinberg et al. 1999).
- The stability or continuity of child care arrangements is also critical for both improved child outcomes and parental employment (Henly et al. 2015).

Thus, it is important not only to help parents access child care so they can go to work but also to ensure that families can afford stable, high-quality child care. Of additional importance to growing the population of the Great Lakes region, reliable and affordable child care is associated in international studies with higher total fertility (Castles 2003).
How Well Do the Great Lakes States support Low-Income Children and Parents through Child Care Assistance?

States have considerable discretion to determine child care subsidy policies, practices, and administrative structures, as well as how much state funding to invest in the program, resulting in great variation in child care subsidy programs across the states (Hahn, Adams, et al. 2016). Because child care assistance is not an entitlement and the current federal block grant and state funds are not sufficient to cover all families needing assistance, only 15 percent of eligible families received subsidies in 2012 (Walker and Matthews 2017). States must choose how to target their limited funds. For example, states may choose to serve more children with smaller subsidies or for shorter periods, or they may choose to serve fewer children with larger subsidies or for longer periods. States also choose how much families need to contribute toward child care costs (copayment rates) and how much to reimburse child care providers. These decisions further affect how many families can or will receive child care assistance.

Nationally, the number of children served through CCDF has been declining and in 2015 reached an all-time low. Indiana and Ohio were among only seven states nationally—and the only Great Lakes states—that served more children in 2015 than in 2006. Despite that long-term increase, Indiana, Illinois, and Michigan were among the six states nationwide that had the greatest single-year declines between 2014 and 2015 in number of children served (figure 1). Illinois’ decline in number of families was temporary but highlights how a policy change can drastically affect access. Illinois temporarily reduced the amount of income an applicant family could have and be eligible for child care assistance: in 2014, a family of three seeking child care assistance would qualify if they had no more than $3,051 in monthly income (185 percent of FPL) and met other eligibility criteria. Between July and November 2015, only families with incomes at or below $838 in monthly income (50 percent of FPL) qualified for child care assistance, although those already receiving assistance could continue receiving it as their incomes grew. Later in November 2015, Illinois increased the eligibility threshold to $2,712 (162 percent of FPL).

Table 3 shows the variation among the Great Lakes states in their initial and continuing income eligibility thresholds, monthly copayments, provider reimbursement rates, and redetermination periods.
<table>
<thead>
<tr>
<th>State</th>
<th>Initial eligibility threshold</th>
<th>Continuing eligibility threshold</th>
<th>Monthly copayment</th>
<th>Provider reimbursement rate</th>
<th>Redetermination period (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois$^f$</td>
<td>$838$</td>
<td>$3,098$</td>
<td>N/A$^g$</td>
<td>$851$</td>
<td>6</td>
</tr>
<tr>
<td>Indiana</td>
<td>$2,126$</td>
<td>$2,846$</td>
<td>$0$</td>
<td>$1,179$</td>
<td>6</td>
</tr>
<tr>
<td>Michigan</td>
<td>$1,990$</td>
<td>$4,069$</td>
<td>$54$</td>
<td>$607$</td>
<td>12</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$2,955$</td>
<td>$4,213$</td>
<td>$4$</td>
<td>$1,045$</td>
<td>6</td>
</tr>
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<td>$60$</td>
<td>$1,183$</td>
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$^a$ Maximum monthly countable income for a family of three to initially qualify for CCDF subsidies, 2015.

$^b$ Maximum monthly countable income for a family of three to continue receiving CCDF subsidies, 2015.

$^c$ Monthly copayment for a three-person family earning $15,000 annually, with a single parent with a 2-year-old child and a 4-year-old child in full-time care, 2015.

$^d$ Maximum licensed center monthly reimbursement rate (highest rate) for toddlers, 2015.

$^e$ The redetermination period is how often the family’s eligibility must be reviewed for them to continue receiving care. New CCDF regulations will mandate 12-month recertification periods.

$^f$ The policies in effect in Illinois in October 2015 were only in effect between July and November of 2015, creating a somewhat misleading picture of the policies in Illinois more generally. Nonetheless, the CCDF Policies Database uses policies in effect in October of each year for consistency, and October 2015 are the most recent policies included.

$^g$ A three-person family earning $15,000 annually would not have been eligible for child care assistance in October 2015, so the copayment is not applicable.
Great Lakes States Can Simplify and Align Policies to Improve Access to Child Care Assistance

Although CCDF funds are not sufficient to serve all families in need of child care subsidies (which may be the greatest challenge to the success of child care subsidies), states can nonetheless take actions to improve families’ access to high-quality care by simplifying child care subsidy processes and aligning child care policies and processes with those of other work support programs serving the same families.

Many states have developed unnecessarily complex policies and processes that make it difficult for families to access or retain child care assistance. These same complexities create unnecessary burdens and inefficiencies for the state agencies that administer the subsidies (Adams and Matthews 2013). States often do not realize that they have the flexibility to make a wide range of changes to promote access to and continuity of child care assistance (Hahn, Rohacek, and Isaacs, forthcoming). States have the authority to

- streamline verification of income,
- lengthen certification periods,
- reduce reporting requirements,
- change eligibility thresholds,
- revise payment and reimbursement rates, and
- simplify processes for parents and providers.

For example, Illinois recently simplified the calculation of authorized child care hours by focusing on the total number of hours a parent works rather than detailed analyses of actual work schedules. Illinois also began allowing electronic wage deposits to serve as proof of employment, thus eliminating the need for a letter from the employer (Hahn, Rohacek, and Isaacs, forthcoming).

New regulations, following the 2014 reauthorization of the CCDBG, create additional opportunities for improving the quality and continuity of care for children, and for making it simpler for parents to access and maintain subsidized child care (Adams and Heller 2015; Matthews et al. 2015). For example, states will now be required to allow families to keep their child care assistance for 12 months, which helps children and their families maintain stable child care arrangements and reduces the frequency with which parents need to determine their eligibility for assistance. Before the new law and regulations, only two of the Great Lakes states, Ohio and Michigan, had 12-month eligibility for child care assistance (Matthews et al. 2015).

Paid Family Leave

Paid family leave provides paid time off work to care for family members. It may be limited to mothers at the time of childbirth or may include both parents and cover time off work to care for children or family members at other life stages.

Why Paid Family Leave Matters for Low-Income Children and Parents

Paid leave increases family income both directly through the leave payments and indirectly through more stable employment. Paid leave may also positively affect the health of parents and children.

- Mothers with access to paid leave are more likely than those without it to take leave (and to take it for slightly longer) after the birth of a child and are more likely to return to work. These findings are strongest for women of color and less-educated women (Isaacs, Healy, and Peters 2017).

- Emerging evidence suggests that paid leave at the time of birth may promote health and development outcomes through increased breastfeeding, reduced parental stress, and healthy parent-child relationships (Isaacs, Healy, and Peters 2017).
How Well Do the Great Lakes States Support Low-Income Children and Parents through Paid Family Leave?

Access to paid leave is a challenge for parents in the Great Lakes states just as it is for parents throughout the country. Nationally, paid family leave is included as an employee benefit for just one in seven civilian workers (14 percent). Somewhat larger shares have access to paid sick leave (68 percent) and short-term disability benefits (38 percent) that some families use in lieu of paid family leave (Isaacs, Healy, and Peters 2017). A handful of states have statewide family leave programs or partial wage-replacement benefits for pregnant women under temporary disability insurance programs, but none of these are Great Lakes states (Isaacs, Healy, and Peters 2017).

A lack of paid family leaves exacerbates instability in parental employment and income. Despite job protections under the Family and Medical Leave Act of 1993 for parents of newborns and newly adopted children, the law does not cover an estimated 41 percent of US employees (Klerman, Daley, and Pozniak 2012). Further, the law does not provide for paid leave or leave during the routine and short-term illnesses common among children or their parents.

In addition, workers with less education and lower wages also tend to have less access to paid leave, exacerbating inequalities in parental employment and income. (Isaacs, Healy, and Peters 2017).

Great Lakes States Can Implement Paid Family Leave Policies

States and localities can enact paid family leave legislation requiring at least some employers to provide paid family leave as an employee benefit. California, New Jersey, New York, and Rhode Island and the District of Columbia have enacted or implemented paid family leave legislation in the past 15 years. Although some employers in states that adopted paid leave policies were concerned about the potential effects on their businesses, surveys after the policies were implemented found that employers largely experienced neutral or positive effects on employee turnover, profitability, and productivity (Isaacs, Healy, and Peters 2017). Drawing on the experiences of states that implemented paid family leave policies, a recent study estimated that a national policy covering own illness, child birth, and family care would cost less than 1 percent of total annual wages (Institute for Women’s Policy Research and IMPAQ International 2017).

Because current employer-sponsored family leave policies disproportionately reach workers in higher-wage jobs, new state or national leave policies would disproportionately benefit the lower-wage workers who would gain access to this vital support.

Bipartisan consensus is growing on the value of state and national paid family leave policies, although there is less agreement on the specific parameters of any policy. Any state or national plan would need to carefully consider who should be covered, the length of leave, the amount of benefits, funding models and administrative structures, and what job protections to provide.
How Great Lakes States Can Improve Access to the Full Set of Work Supports

Families eligible for any one of these supports also are likely to be eligible for other supports and to benefit from receiving the full set of supports for which they are eligible. Yet they are unlikely to receive all the supports because it would require that they overcome the participation challenges for each program separately (Mills, Compton, and Golden 2011). In some states, for example, families must submit separate applications at separate offices for each program. Many of the people seeking support are workers, so they may need to take time off work to visit each social service office. This duplication burdens families seeking assistance as well as the state agencies administering the programs.

States’ changes to policies, business processes, and technology can streamline access and retention for individual work supports and for the full package of work supports for which families are eligible (Hahn 2016). The Affordable Care Act helped states toward this goal by allowing them to use federal funding for technology under the ACA to develop new eligibility systems that not only included health coverage programs but also integrated other programs, such as SNAP and child care, without cost to these other programs (Loprest, Gearing, and Kassabian 2016). In addition, states can create combined applications for multiple programs and routinely assess new applicants for the full range of programs for which they might be eligible. Each of the Great Lakes states except Minnesota has a combined application for SNAP and Medicaid, and some also include cash or child care assistance on the same application. As described previously, states can share documentation across programs or automatically enroll those whose documentation for one programs demonstrates their eligibility for another. For example, the income documentation a family provides for SNAP can demonstrate their eligibility for child care assistance, and states can use SNAP data to automatically enroll eligible children in Medicaid or renew their parents’ coverage.

Illinois, for example, already had a single-agency and joint application for both SNAP and Medicaid, but the state took additional steps to align policies and processes, reduce bureaucratic redundancies, and share data across programs, and it consequently experienced an increase in the number of families eligible for SNAP and Medicaid who received both supports. Between 2011 and 2013, joint participation in SNAP and Medicaid and CHIP among eligible children increased from 85 to 94 percent and from 47 to 55 percent among adults younger than 65 (Loprest, Lynch, and Wheaton 2016).

In addition to formal policy and technology changes, behavioral economics research indicates that small changes in human service programs can help families take actions to support their goals. For example, clear letters and signs, simpler processes, and personalized outreach can help more eligible families access the supports they seek (Loprest 2017; Richburg-Hayes, Anzelone, and Dechausay 2017).
Conclusions

Better supporting the basic needs of low-income children and parents in the Great Lakes states requires making sure families are aware of available work support programs and how to access them so that families can make informed decisions about whether to seek assistance. To stabilize parental employment, increase educational attainment, and promote health and healthy child development, the Great Lakes states—like all states—should streamline and simplify families’ access to health insurance, nutrition assistance, the earned income tax credit, child care subsidies, and paid family leave. These supports can mitigate the negative short- and long-term consequences of living in or near poverty only if families have access to the benefits or receive the supports for which they are eligible. The benefits of increased parental employment, coupled with the direct benefits from these supports, can help families remain in the region and help children grow up ready to enter the labor force and contribute to the vitality of the Great Lakes region.

State governments should cooperate with the federal government to expand access and adopt policies that eliminate unnecessary hurdles to access. Philanthropies also have an important role in facilitating improvements in state social service delivery by supporting state staff and technical assistance needs as states identify and implement new policies, business practices, and technologies. For example, between 2011 and 2015, investments from a group of five foundations provided grants, expert technical assistance, and peer learning to six states aiming to reform, modernize, and align their systems delivering work support programs (Hahn 2016). This Work Support Strategies initiative included Illinois and five states outside the Great Lakes regions.

The political and policy environment surrounding work supports is changing rapidly at the federal level and within the Great Lakes states in ways that could limit families’ access to work supports and make the policy content of this brief out of date. For example, some of the Great Lakes states and federal lawmakers are seeking increased work requirements, drug testing, or time limits for individuals seeking SNAP or Medicaid, although so far states have limited these restrictions to childless adults. Nonetheless, engaging the federal, state, and local governments, as well as philanthropies and other stakeholders, in undertaking the strategies recommended in this brief will help more families come to and remain in the Great Lakes region and ensure that all those who live there can thrive.

Notes


2. The federal poverty level for a family of three in federal fiscal year 2017 is $20,160.


5. Estimated participation rates of 100 percent are the result of differences between the data used to estimate the number of eligible people and the data used to estimate the number of participants; they should not be interpreted to mean that every eligible person is participating in SNAP. For more information on estimation methods, see Cunnyngham (2017).


7. TANF funds also support child care subsidies both directly and through transfers to CCDF.

References


About the Authors

Heather Hahn is a senior fellow in the Center on Labor, Human Services, and Population at the Urban Institute. Her research examines the wide range of issues related to the well-being of children and families, including TANF, SNAP and other supports for low-income families. She co-led the evaluation of the Work Support Strategies initiative.

Acknowledgments

This brief was funded by the Joyce Foundation. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the author and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute’s funding principles is available at www.urban.org/support.

The author also thanks Sameer Gadkaree, Julie Kerksick, Rolf Pendall, Erika Poethig, Beth Swanson, and Jennifer Wagner for their comments on earlier versions of this brief.