



Report details gap in pay and cost of basic needs for workers

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By [Darwin Danielson](#)

A new report says thousands of workers in the state aren't getting enough support to make up the gap in what they're paid and the cost of basic family needs -- although it says Iowa is in better shape than many other states. The Iowa Policy Project released the report today in Des Moines as part of a multi-state study by the Center for Economic and Policy Research in Massachusetts.

The center's lead researcher, Heather Boushey, says Iowa is not alone. Boushey says every state has problems with low-income families and the share of families who are unable to meet their basic needs, even with state and federal support. "However, Iowa actually has a relatively small share of families who live below a basic needs budget," Boushey says.

Boushey says finding the resources to meet the needs of a family is easier in Iowa. Boushey says once they account for work support, the Earned Income Tax Credit, food stamps and other subsidies for child care and housing, there's a greater chance Iowans are going to "bridge the gap" than the other locations in the 10-place study. With that said, Boushey says only one-third of eligible Iowans get child care assistance, only one quarter get subsidized housing, and only two-thirds food stamps.

Boushey says the Iowa Legislature has taken some steps to help families bridge the gap, including increasing the minimum wage. Boushey says the minimum wage increase is a complicated issue, as it could be offset by the loss of subsidies.

"There's two ways of looking at it," Boushey says, "one is for those families that are getting benefits, if the legislature doesn't take into account the higher federal and state minimum wage that you have here in Iowa, then yeah, then there is some trade off there. Every dollar you earn is money lost for foodstamps...it changes eligibility for Medicaid and childcare and all these other programs. And certainly with the E-I-T-C, you earn a dollar more, you're not eligible for that tax credit."

She says the wage increase can be good if its total impact is understood. Boushey says: "One of the things we found in our study is that by a long shot, not everyone who is eligible for these benefits gets them. So raising the minimum wage is going to help everyone. And those folks who're getting some of those benefits who might pare back, may not help them monetarily that much in the short term unless policymakers realize the interconnections between these programs."

Boushey met with some area legislators to talk about the study, including Des Moines representative Wayne Ford. Ford says the bottom line is that many of the two-parent families are not making enough money. Ford says the passing of the minimum wage increase was just the beginning to address the issue. Ford, a Democrat, says there also needs to be an increased emphasis on outreach to find the eligible families that aren't getting benefits.

Fellow Des Moines Democrat legislator, Ako Abdul-Samad, agreed. Abdul-Samad says they need to find out how to reach out to families who need insurance after increasing money for health care. Abdul-Samad says the same is true for child care. While Ford and Abdul-Samad represent districts in Iowa's largest city, both say it's not an urban or rural issue, it impacts all parts of the state. You can read the entire report on the [Iowa Policy Project website](#).



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