



March 12, 2007

Raise Income Eligibility Guidelines to 130 Percent of the Poverty Level

The California Head Start Association (CHSA) supports increasing the Head Start income eligibility guidelines from the current 100 percent of the poverty level to 130 percent of the poverty level.

Rationale:

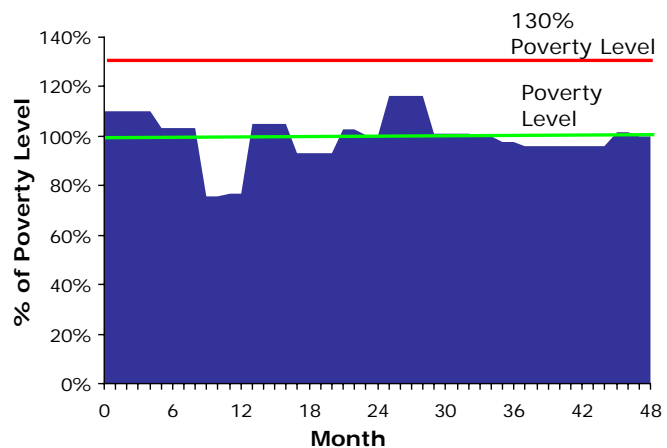
Over Time, Near Poor Families Are Often the Same Families that Live Just Below the Poverty Level

The incomes of low-wage earners are notoriously volatile. As a result, many families currently living near poverty (at 100% to 130% the poverty level) may slip into poverty in the next month or vice versa. In essence, families just below and just above the poverty level are the same population and in need of the same supports to overcome the burdens of poverty.

- 44% of households between 70% to 130% of poverty saw their incomes alternate above and below the poverty level.
- More than one in five households moved in and out of poverty multiple times.

Real Example of One Household's Income

Illustrating the Monthly Income Fluctuations for Households Living Near the Poverty Level



Source: Analysis of U.S. Census Bureau's Survey of Income and Program Participation, 1996 Panel, Longitudinal Core. Data collected between 1996 and 2000.

Conclusion:

Expanding eligibility will allow Head Start to continue serving families with the same needs even as they start to make tentative progress in escaping poverty.



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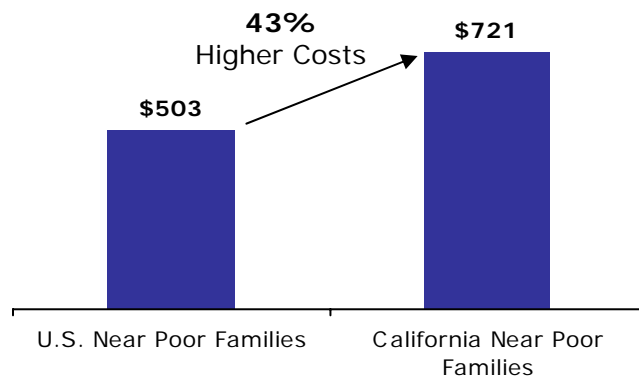
Rationale:

California Near Poor Families Need the Extra Support Head Start Can Provide

Near poor Californians pay **43% more** for housing than similar families in the country as a whole.

As a result, a Californian at 130% the poverty level has the same standard of living as someone at 95% the poverty level in a typical state.

Average Monthly Housing Costs
Families of 3 with Children Under 6 Years-Old at 100% to 130% of the Poverty Level



Source: Analysis of U.S. Census Bureau's American Community Survey Public Use Microdata Sample for 1995.

Conclusion:

Given the higher cost of living in many areas like California, Head Start needs the flexibility to serve families up to 130% of the poverty level.