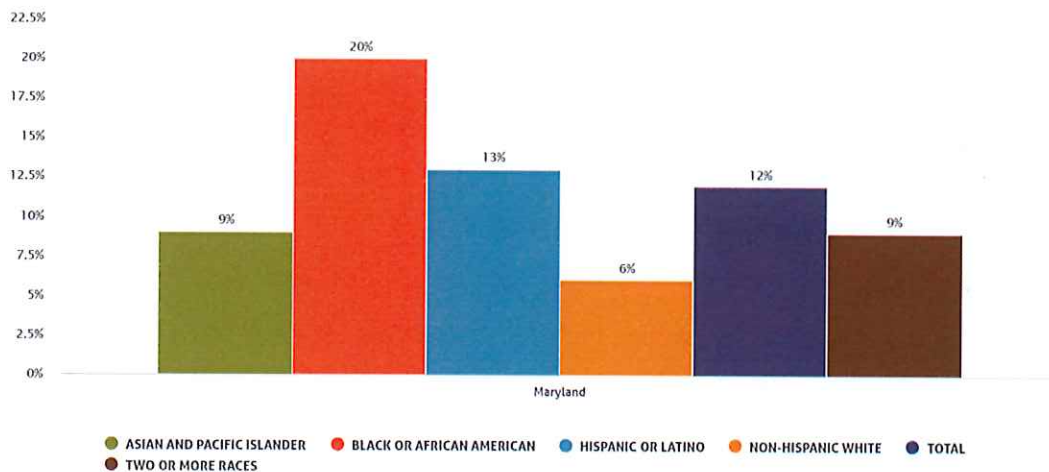




To: The Honorable Guy Guzzone, Chairman, Budget and Taxation Committee
 From: Melissa S. Rock, Birth to Three Strategic Initiative Director
 Re: **SB 40: Sales and Use Tax—Diapers—Exemption**
 Date: January 9th, 2020
 Position: SUPPORT

Across Maryland, there are currently 219,724 children under age 3.¹ Statewide, there are 51,000 children under age 5 living at the federal poverty rate.² There are 76,000 children under three in families receiving the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). By age, that is 34,000 infants, 23,000 one-year olds, and 19,000 two-year olds. According to ShareBaby, low income families spend 12% of their gross income on diapers.³ Nationally, one in three families experience diaper need.⁴ (Please see the attached "Maryland Diaper Facts" for more details.) There aren't any state or national assistance programs that allocate funding specifically for buying diapers. Parents who cannot provide diapers for their babies, are sometimes unable to send their babies to daycare which leads to missed workdays further exacerbating that family's poverty.



Children In Poverty (100%) By Age Group And Race And Ethnicity : 0 To 5 (Percent) - 2018

National KIDS COUNT
 KIDS COUNT Data Center, datacenter.kidscount.org
 A project of the Annie E. Casey Foundation

¹ [https://nationaldiaperbanknetwork.org/wp-content/uploads/2019/02/2018 State Diaper Facts 11 2018 Maryland.pdf](https://nationaldiaperbanknetwork.org/wp-content/uploads/2019/02/2018-State-Diaper-Facts-11-2018-Maryland.pdf) (See attached.)

² <https://datacenter.kidscount.org/data/tables/5650-children-in-poverty-by-age-group?loc=22&loct=2#detailed/2/22/false/37,871,870,573,869,36,868,867,133,38/17,18,36/12263,12264>

³ <https://sharebaby.org/the-need/>

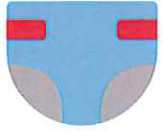
⁴ Id.

As you can see by the graph above, young Black children are overrepresented when looking at children living in poverty. While White children under 5 are 40% of the population, they are only 6% of the impoverished population. In contrast, Black children represent 20% of impoverished children under 5. As a state we need to take steps to eradicate these racial disparities and eliminating the sales tax on diapers, especially for families with lower incomes, could help do that. Waiving sales tax on diapers, at least for families with limited resources, can help alleviate the financial stress babies place on low income families.

We urge this committee to issue a favorable report on SB 40 an waive sales tax on diapers, at least for families with lower incomes.

One N. Charles Street, Suite 2400, Baltimore, MD 21201 / info@acy.org / 410.547.9200 / www.acy.org

Advocates for Children and Youth builds a strong Maryland by advancing policies and programs to ensure children of every race, ethnicity, and place of birth achieve their full potential.



Maryland Diaper Facts



Compiled by the National Diaper Bank Network

Diapers are as essential to a baby's healthy development as a mother's love. Keeping infants and toddlers clean, dry, and healthy is key to building a solid foundation for all children to reach their full potential. But one in three families struggles to provide clean diapers for their baby.

Maryland's Children Need Diapers

Maryland

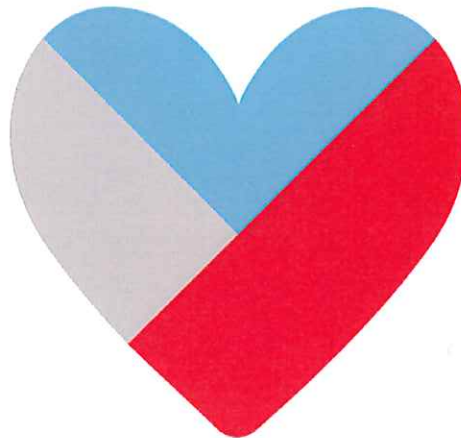
219,724

Total Population
Under Age 3

United States

11,936,322

Total Population
Under Age 3



16%
of children under
age 18 are infants
or toddlers

16%
of children under
age 18 are infants
or toddlers

8%
Live in families
earning less than
100% of FPL *

18%
Live in families
earning 100%
to 200% of FPL

20%
Live in families
earning less than
100% of FPL *

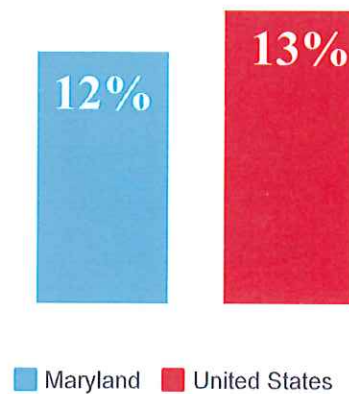
22%
Live in families
earning 100%
to 200% of FPL

* FPL = Federal Poverty Level

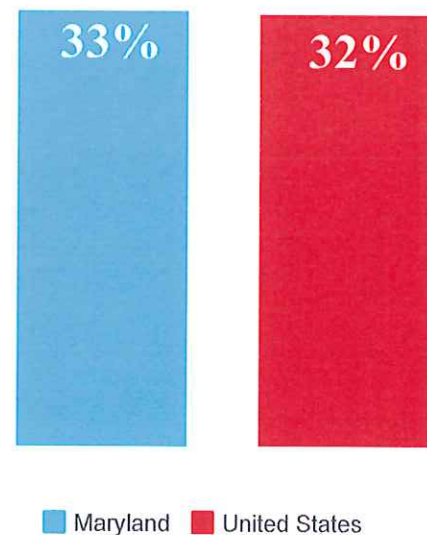
Maryland's Babies Need Strong Foundations

Children in low-income families are at greatest risk of suffering the effects of diaper need because many families can't afford diapers. Current public support programs help some, but young children have additional needs necessary to build a strong foundation for healthy growth and to reach their full potential.

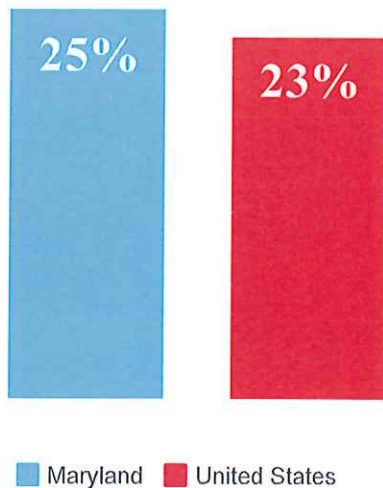
Percentage of SNAP Recipients Under Age 5



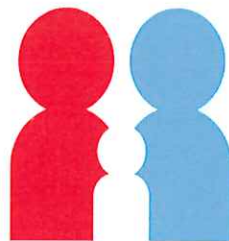
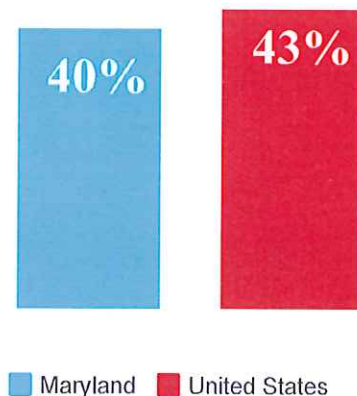
Percentage of TANF Families with at Least One Child Under Age 3



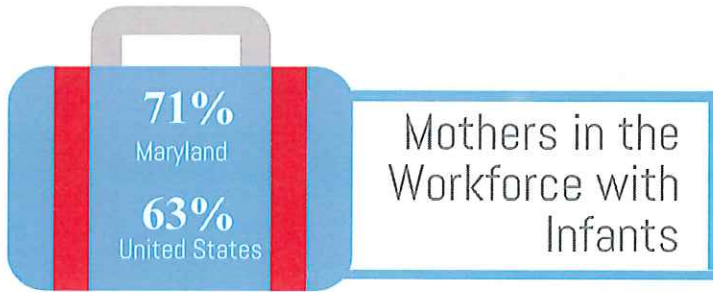
Percentage of WIC Recipients that Are Infants



Percentage of Births Covered by Medicaid



Diapers Are Essential to the Well-Being of Maryland's Families



Most child care facilities require parents to provide diapers for their child. Nationally, 57% of parents experiencing diaper need who rely on child care said they missed an average of four days of school or work in the past month because they didn't have diapers.

Cost of Infant Care as a Percentage of Income



Early Education Programs Help Maryland's Children

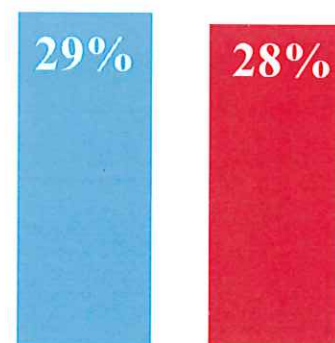
Early Head Start provides child and family development services for infants, toddlers, and pregnant women. Center-based EHS programs provide diapers for infants and toddlers. Other federally funded child care assistance programs don't. For families enrolled in the latter, not having access to diapers removes a key building block for strong families. Without diapers a parent cannot go to work, and not working disqualifies a parent from vital child care resources.

Nationwide, **154,352** infants, toddlers, and mothers participate in Early Head Start.

1,687 are from Maryland.



Children Under Age 3 Receiving Federal Child Care Support



■ Maryland ■ United States

TANF & Diapers in Maryland

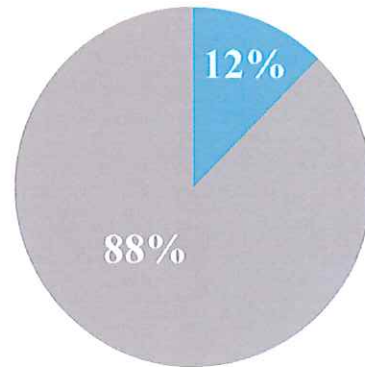
An average monthly supply of diapers costs approximately \$80. The only federal assistance program that can be used for diapers is TANF, but TANF has to cover many other expenses, including heat, electric and water bills, rent, clothing, transportation, and other basic needs. Little if any money is available to purchase enough diapers to keep a baby clean, dry, and healthy.

Max Benefit for Family of 3
(1 Parent & 2 Children)



■ Maryland ■ US Average

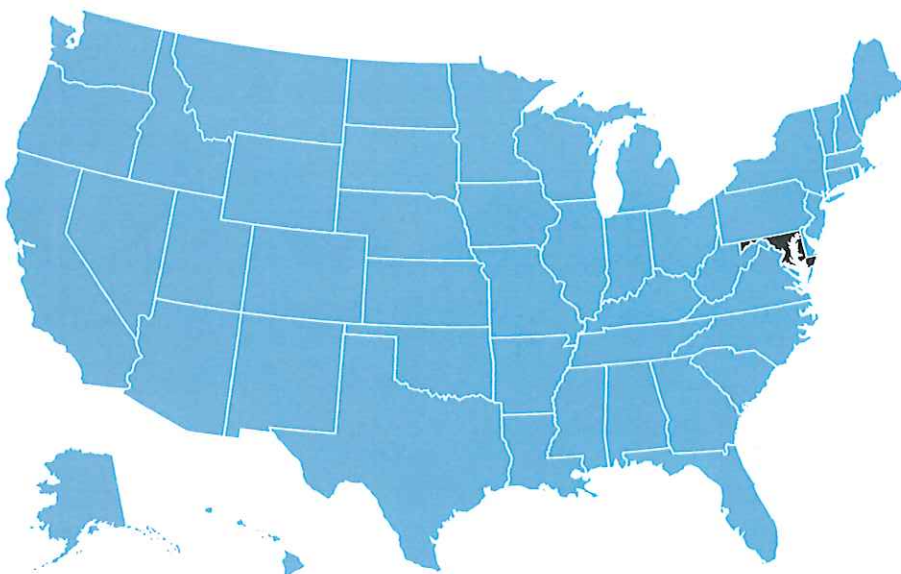
Diaper Costs Compared to Benefit



■ Diapers (12.35%) ■ Everything else (87.65%)

In Maryland, there is a 12 month exemption from the work-related activity requirement after the birth of a child for single parent households receiving TANF payments.

Maryland's Diaper Banks Help Fill the Gap



Maryland's

3

NDBN-member
diaper banks distribute

269,918

diapers annually.

NDBN Working to End Diaper Need

The National Diaper Bank Network works to ensure that every child in the United States has enough diapers to remain clean, dry, and healthy. Diaper banks across the country are working to eliminate diaper need by providing families with diapers.

200+ NDBN-member diaper banks distribute over
64 million diapers annually!

All diaper banks require community support and donations of diapers and dollars to improve the well-being of children and families in local communities.

Learn how you can help at nationaldiaperbanknetwork.org



National Diaper Bank Network



@diapernetwork



@diapernetwork

155 East Street, Suite 101 • New Haven, CT • 06511 • 203.821.7348

Rev. Date 11/2018



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