

Diaper Accessibility



Executive Summary

Diapers are essential sanitary health care items for infants and toddlers. Many low-income families struggle to afford diapers. A diaper bank is typically a nonprofit entity operating primarily for the purpose of collecting, purchasing, and distributing disposable diapers or other hygiene products (e.g., baby wipes) for infants free of charge. In efforts to increase diaper accessibility, legislation has been proposed at the state and federal level to assist both families and diaper banks in varying ways including: 1) reduced or exempted sales tax; 2) coverage by government assistance programs; 3) tax incentives for diaper banks donations; and 4) increased funds to diaper banks.

Highlights

- Of Missouri families with infants and toddlers, 19% earn below the federal poverty line.
 - During the first three years of life, it is estimated that 4,600–4,800 disposable diapers are used, and have an average cost between \$945–1,500 per year.
- There are currently 8 diaper banks throughout the state of Missouri, and they distributed almost 7.5 million diapers in 2020.
- Diaper access can have positive impacts on child health and economic outcomes.
- Ten states exempt diapers from sales and use tax. In Missouri, diapers are taxed as luxury goods with a current tax rate of 4.2%, not including additional local use tax rates across cities and counties.
- Low-income families with children can receive temporary assistance through Temporary Assistance for Needy Families (TANF). Government assistance programs such as Medicaid, SNAP, and WIC are not eligible for use to purchase diapers.
- The Missouri Diaper Bank Tax Credit for taxpayers provides a tax incentive to individuals who donate to qualified diaper banks.
- Under the American Rescue Plan Act of 2021, Missouri's estimated allocation for TANF Pandemic Emergency Assistance is \$14.5 million and a portion of funds may be used to fund diaper banks.

Limitations

- The amount of general revenue lost to states with diaper tax exemptions can vary by state depending on population and number of people who purchase these products.
- It is unknown how financial assistance programs for diapers would increase the cost of existing supplemental assistance programs.

Research Background

Poverty and Access to Diaper Products

In Missouri, 19% of families with infants and toddlers earn below the poverty line.¹ A family of four with a gross income below \$26,200 is considered to be in poverty.² Prior to the COVID-19 pandemic 23.9% of Missouri households experienced income volatility (significant changes in income over time); this number may have increased due to job loss and changes in financial situations during the pandemic.² Job loss, irregular job schedules, and hourly wages can decrease financial stability and create barriers to short- and long-term financial wellbeing.²

Poverty disproportionately affects women and ethnic/racial minorities.² In 2018, 14.3% of women had incomes below the poverty line, compared to 11% of men.² Twenty-six percent of the Black population is living in poverty, compared to 11% of the White population.² Furthermore, 39.1% of Black children live in poverty, compared to 13.9% of White children.²

During the first three years of life, it is estimated that 4,600–4,800 disposable diapers are used and have an average cost between \$945–1,500 per year (\$18–28 per week). This cost can increase as children age and need larger-sized diapers.^{3,4} These costs do not consider other complementary goods such as baby wipes. Cloth or reusable diapers may not be an option for low-income families due to the larger cost upfront and varying access to laundry facilities.⁵

Families with children can receive temporary monetary assistance for 45 months through the Temporary Assistance for Needy Families (TANF) program. These funds can be used to purchase diapers. However, the funds are intended to support housing, utilities, and other hygiene items, potentially leaving little to further cover the cost of diapers.¹ Additionally, the National Diaper Bank Network supports community-based diaper banks that collect, store, and distribute free diapers to struggling families. There are currently 8 diaper banks affiliated with the National Diaper Bank Network throughout the state of Missouri (Columbia, Fenton, Higginsville, Kansas City, New Madrid, Osage Beach, Springfield, and St. Louis), and they distributed almost 7.5 million diapers in 2020.^{1,6}

Impacts of Diaper Accessibility

Child Health

Infant diapers are essential sanitary health items that require frequent changing. Research investigating diaper need among 887 low-income women in urban areas found that 28% of women reported diaper need, and of those women, 27% reported putting off changing a child's diapers when their supply was running short, or "stretching" diapers.⁷ Another similar study of 200 women indicated 37% of women did not have enough diapers to change their child immediately.⁸

Two health conditions associated with inadequate diaper changes and diaper needs include urinary tract infections and diaper dermatitis.⁹ Urinary tract infections are difficult to detect and untreated urinary tract infections can lead to serious health complications, including hypertension, renal fibrosis and failure.⁹ Household income is a social determinant of health that affects the well-being of all family members by influencing access to healthcare prevention and treatment. Both of these conditions commonly require visiting a pediatrician, so low-income families may bear subsequent health care costs due to the inaccessibility of diapers.

Economic Outcomes and Workforce Development

The female workforce has increased substantially over the last 40 years. From 1975 to 2012, the number of women in the workforce with children under three years old has increased from 34.3% to 60.7%.¹⁰ Roughly 20% of all working mothers who have children under the age of 3 years old are in low-wage jobs.¹⁰ Of all working mothers who have children under the age of 18 years old, 50% are single mothers.¹⁰

Household income and diaper accessibility can affect families' abilities to participate in society. When families cannot supply diapers for childcare facilities (in addition to the added costs of childcare) or do not have adequate diapers to prevent negative diaper-related health issues, parents may be forced to stay home from work or school to care for the child at home, creating a potential loss of income.^{10,11}

Having access to diapers can have a positive impact on low-income families' financial status.^{10,11} In a study of 137 low-income families in North Carolina receiving diaper assistance, 61% reported an increased ability in the family budget for other necessities such as food.¹¹ Furthermore, 27% of families reported increased ability to pay utility bills.¹¹ Lastly, 18% of families could send their child to childcare, which permitted 15% of families with an adult to go to work or school.¹¹ It should be noted that the families in this study had access to a diaper bank and not all low-income families live in close proximity to community diaper banks or other diaper sources.¹¹

Cost-benefit Analysis of Diaper Accessibility

Conducted in 2016 in collaboration with the Diaper Bank of Connecticut, the Connecticut Center for Economic Analysis within the University of Connecticut investigated the cost-benefit of diaper accessibility. Increased diaper accessibility was associated with a \$4.3 million reduction in medical costs due to decreases in both incidences and days of diaper rash.¹² Additionally, diaper accessibility assisted parents to finish educational programs, which resulted in higher salary by on average \$9,900 per graduate per year.¹² Diaper accessibility increases personal income and thus, personal income tax accruing to the state also increased.¹²

Taxes on Diapers

For tax purposes, diapers are considered luxury items, not essential items like food and medicine, and are not exempted from sales tax. In some states, these products can be taxed at 10% or higher.

As of 2020, five states (AK, DE, MT, NH, and OR) have no sales tax and ten states (CA, CT, LA, MA, MN, NJ, NY, PA, RI, VT) exempt diapers from taxation.¹³ Fourteen states, including Missouri, have a sales tax holiday that includes diapers.¹³ Maryland and North Dakota only exempt adult incontinence products.¹³ Research investigating the impacts of sales tax exemptions on diaper products in New York and Connecticut indicated a 5.4% increase in diaper sales among low-income areas and a 6.2% reduction in children pain medication purchases.¹⁴

The current tax rate in Missouri on diapers is 4.2% with varying local use tax rates across cities and counties. House Bills [1971](#), [2241](#), [2257](#), and [2272](#) (filed in 2022), propose to reduce the tax rate down to 1.2%, which would match the tax rate charged for most foods. HB [1679](#) and HB [2384](#) also propose to completely exempt diapers from sales tax.

Border State Policies

The base tax rate of Missouri is the lowest of all the border states with each municipality having varying local use taxes (**Figure 1**).¹³ Arkansas, Iowa, Oklahoma and Tennessee have sales tax holidays for diapers. Moreover, diapers used for incontinence are tax exempt with a prescription in Arkansas.¹³

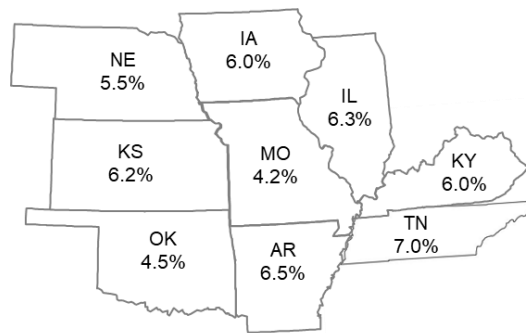


Figure 1. Base tax rate of Missouri and its border states.¹³ Each municipality has local tax use variation.

Government Assistance Programs

Missourians who are pregnant or have child dependents are eligible for Medicaid if they make less than 138% of the poverty line. In 2018, approximately 834,000 Missouri children were enrolled in Medicaid.² State Medicaid programs are required to provide diapers for children for whom diapers are part of medical treatment, but not for toilet training purposes or as a substitute for a toilet.¹³ States vary widely as to the minimum age of a child and maximum age for an adult for whom Medicaid can provide diapers, and the documentation required to establish need. In Missouri, the minimum age is 4 years old and diapers can only be provided if toilet training has been tried and deemed not viable.¹³ The maximum age is 20 years old unless [exception criteria](#) for approval are met.¹³

Additionally, Missourians are eligible for government assistance programs such as Supplemental Nutrition Assistance Program (SNAP), or Women, Infants, and Children (WIC) if they earn less than 130% of the poverty line. Women participants of SNAP who are pregnant or have children under the age of five are eligible for WIC, which provides additional resources. Unemployed individuals may also be eligible for SNAP benefits.

SNAP and WIC assistance programs are nutrition-specific programs, and funds are not eligible for use to purchase diapers. However, as of late 2019, low-income families with children under three years old can receive free diapers through the [CalFresh Program](#) (SNAP) in San Francisco, CA via partnered diaper banks. In 2021, [SB 531](#) was proposed in Missouri to create a similar

financial assistance program to help low-income individuals purchase a variety of hygiene products, including infant diapers. In recent years, SNAP and WIC programs have faced budgetary challenges, with large proposed federal cuts to such programs, which can reduce voucher amounts and eligibility. It is unknown how inclusion of such products would change the cost of existing assistance programs and associated administrative costs to the state. While a program like this could help low-income individuals get access to these products, it does not guarantee complete access or affordability, because not everyone qualifies for supplemental assistance programs, particularly those individuals close to but not meeting poverty levels.

Diaper Bank Funds

Missouri Diaper Bank Tax Credit

Policies that reduce the amount of taxes owed by a taxpayer (e.g., [tax credits](#)) are expected to decrease government revenue while incentivizing immediate private spending and investment. In many cases, tax credits are targeted to low- and middle-income individuals and households. They can also be used to encourage taxpayers to invest in high-need projects, government programs, or philanthropic services. The Missouri Diaper Bank Tax Credit (RSMo [135.621](#)) can be claimed if an individual donates cash, stock, bonds, real property or other marketable securities to a qualified diaper bank. The program is capped at \$500,000 per year.

American Rescue Plan Act of 2021

Under Subtitle B: Emergency Assistance to Families through Home Visiting Programs within the [American Rescue Plan Act of 2021](#), states and other entities receiving funds for Maternal, Infant, and Early Childhood Home Visiting are to coordinate and provide reimbursement for supplies to diaper banks. For Missouri, this falls under the TANF Pandemic Emergency Assistance funds, which are to be used for non-recurrent short-term benefits. These include emergency cash assistance payments, payments to address a need such as a housing, or payments directed toward a particular purpose such as a clothing allowance, emergency food aid, utility allowance, or funding for diaper banks.¹¹ Missouri's estimated allocation for TANF Emergency is \$14.5 million.¹⁵ These funds must be used by December 31, 2024.

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