



# 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 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 2 million diapers in 2018.
- 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.<sup>1</sup> For a family of four, a gross income of \$26,200 or less would be considered poverty.<sup>2</sup> Additionally, 23.9% of Missouri households experience income volatility (significant changes in income over time). Job loss and irregular job schedules with hourly wages can negatively impact financial stability and create barriers to short-term and long-term financial wellbeing.<sup>2</sup>

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

During the first three years of life, it is estimated that 4,600 to 4,800 disposable diapers are used and have an average cost between \$945 and \$1,500 per year (\$18–28 per week), and this cost can increase as children age and need larger-sized diapers.<sup>3,4</sup> These costs do not consider other complementary goods such as baby wipes. Cloth or reusable diapers may not be an alternative for most low-income families due to the larger cost upfront and varying accessibility to laundry facilities.<sup>5</sup> Families with children can receive temporary assistance (45 months) through the Temporary Assistance for Needy Families (TANF) program. 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 throughout the state of Missouri, and they distributed almost 2 million diapers in 2018.<sup>1,6</sup>

## Diaper Need and 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.<sup>7</sup> Another similar study of 200 women indicated 37% of women did not have enough diapers to change their child immediately.<sup>8</sup>

Two health conditions associated with inadequate diaper changes and diaper needs include urinary tract infections and diaper dermatitis.<sup>9</sup> Both of these conditions can commonly require visiting a pediatrician, and therefore, low-income families may incur subsequent health care costs due to the inaccessibility of diapers. Urinary tract infections are difficult to detect and untreated urinary tract infections can lead to serious health complications including hypertension, renal fibrosis and failure.<sup>9</sup>

## 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.<sup>10</sup> Fourteen states, including Missouri, have a sales tax holiday that includes diapers.<sup>10</sup> The current tax rate in Missouri on diapers is 4.2% with varying local use tax rates across cities and counties. Legislation (HB [1679](#)) has proposed to reduce the tax down to 1.2%, which would match the tax rate charged for most foods.

## 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.<sup>2</sup> 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.<sup>10</sup> States vary widely as to the minimum age of the child 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.<sup>10</sup>

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. In 2020, [SB 531](#) was proposed 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 their own budgetary challenges, with large proposed federal cuts to such programs which can reduce voucher amounts and eligibility. It is unknown how including inclusion for such products would increase the cost of existing supplemental 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 accessibility and affordability because not everyone qualifies for supplemental assistance programs, particularly those individuals close 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.<sup>11</sup> Missouri's estimated allocation for TANF Emergency is \$14.5 million.<sup>11</sup>

## References

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