

# Ending Child Poverty

*Recommendations for the New Administration*

*January 2017*



Poor children have been forgotten in our society. Despite having the largest economy in the world, the United States has the second highest child poverty rate among 35 industrialized countries. Currently, 14.5 million children in the U.S., nearly one in five, live below the federal poverty line.<sup>i</sup>

This means that children disproportionately experience poverty in the U.S. compared to other age groups. They make up 23.1 percent of the U.S. population, but account for 33.6 percent of the population living in poverty. Children of color experience even higher rates of poverty. Overall, children are 69 percent more likely to live in poverty than adults.

## **Assessing the Impact of Poverty on Children**

Poverty is a particularly serious problem for children, who suffer negative effects for the rest of their lives after living in poverty for even a short time. Adverse Childhood Experiences (ACEs) is a study and a tool that can be used to measure adverse childhood experiences that can include physical, emotional, or sexual abuse, parental divorce or the incarceration of a parent or guardian.<sup>ii</sup> Negative ACEs can have a tremendous impact on a child's overall health and well-being and have been linked to future risky health behaviors, disparately poor outcomes in education and employment, chronic health conditions, and even early death. Young children in poverty face multiple barriers and when this is compounded by a lack of access to opportunity and disinvestment in communities early in life, it sets a foundation for disparately poor outcomes throughout their lives.

Beyond the negative consequences of poverty for individual children are the costs that the entire nation pays when children grow up poor – from increased expenditures on criminal justice and healthcare to lost revenue and lower economic output when our nation's youngest citizens lack the support they need. Recent studies show that child poverty costs the U.S. \$672 billion a year or 3.8 percent of GDP.<sup>iii</sup>

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## Why Create a National Target?

Currently, there is a range of anti-poverty programs operating in the U.S. that provide critical assistance to families struggling to make ends meet. Yet the persistently high level of child poverty in the U.S. indicates that clearly we are not doing enough to ensure that every child has a fair shot at succeeding and there is no long-term national strategy to address child poverty and the negative outcomes associated with it.

Because there continues to be a pressing need to address child poverty in ways that truly make a difference in children's lives and our nation's future, a broad-based group of child-focused organizations and individuals recently came together to form the U.S. Child Poverty Action Group,<sup>iv</sup> with the mission of establishing a national Child Poverty Target and cut the U.S. child poverty rate in half within a decade.<sup>v</sup>

Creating a national target to reduce child poverty is not unprecedented. In 1999, the United Kingdom established a national child poverty target, which was supported by both the Conservative and Labour parties. Measured in U.S. terms, the UK's Child Poverty Target and resulting policy changes successfully cut the UK's absolute child poverty rate by 50 percent during the effort's first decade.<sup>vi</sup> The UK successfully raised incomes, promoted work, and improved child well-being while U.S. progress in these areas stagnated. Building on the success of the UK model, we should establish such a goal and take the steps necessary to cut child poverty in our country.

Addressing poverty in childhood is particularly important for setting children up for success throughout their life. A specified target creates the impetus to drive policies that reduce child poverty by supporting a family's financial well-being and stability, such as:

- **Strengthening tax credits for families:** Tax credits, such as the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC), are effective tools at reducing poverty while encouraging workforce participation. In addition to supporting financial stability, the benefits for families with children who claim these credits also include improved maternal and infant health and higher test scores and academic achievement for students in elementary and

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middle-school. In addition, children in these families are likelier to attend college and earn more as adults.<sup>vii</sup> These tax credits can be further strengthened to reach more families and increase the credit for families with young children when family expenses are highest.

- **Increasing access to affordable childcare and early learning programs:** Securing safe and affordable childcare and preschool remain one of the most significant barriers for working parents and their children. Expanding access to high-quality early childhood and preschool programs prepare children for school, support parents' ability to maintain stable employment, and provide economic benefits for our society. According to economist and Nobel Prize winner James Heckman, every \$1 spent towards expanding early learning initiatives provides about \$8.60 in benefits to society,<sup>viii</sup> much of which is due to increased earnings for these children later in life. This is an issue that the President-elect specifically raised during his campaign, and we urge for support and expansion of quality childcare programs through the Child Care and Development Block Grant (CCDBG) and Head Start to ensure that low-income working families have access to childcare and quality early childhood programs.
- **Offering earned family and medical leave and sick days to all workers:** The lack of earned family leave for millions of workers in the U.S. leaves parents with the impossible choice between staying home to care for and bond with their newborn or taking a sick child to the doctor and losing necessary income. By making earned family and medical leave available to all workers, parents are given the flexibility needed to balance their obligations at home and at work, thereby promoting family financial security and independence and healthy child development. There are also several reasons for ensuring that earned family leave is available to fathers as well as mothers, such as reduced child care costs, reduced gender wage gaps and positive impacts on child development. Paid sick days are also critical to help parents care for a child without risk of losing their job or necessary income. This is also an issue that the President-elect raised during the campaign, and we look forward to working with his Administration on expanding family and medical leave and sick day options to parents in this country.

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- **Supporting home visiting programs:** Low income families with young children face a host of stresses including lack of access to time off work, reliable transportation and meeting multiple competing needs. Home visiting programs, which pair overburdened pregnant women and mothers with young children who are facing multiple barriers with specially trained nurses, social workers and other professionals, has been proven to engage families that face multiple personal and environmental problems to reduce likelihood of child maltreatment, domestic violence and preventable childhood injuries. <sup>ix</sup> The Maternal, Infant and Early Childhood Home Visiting (MIECHV) program needs to be reauthorized with increased support to better strengthen families and bolster child well-being.
- **Boost access to affordable housing and address family homelessness:** Child and family homelessness continues to be an enormous and unacceptable problem facing our nation. This is partially because housing continues to be one of the biggest expenses for families and the lack of affordable and adequate housing in many communities is one of the largest barriers to financial stability for families with children. For low-income families to access housing, we need reforms that increase the supply of affordable housing and changes to the tax code that promote homeownership and support renters. To assist families with children that are currently homeless, we need interventions that pair housing assistance with services such as early care and learning, adult education, employment, and mental health services to help children and parents recover from the trauma and disruption of homelessness.
- **Investing in communities:** Recent research has found that neighborhood income during childhood strongly predicts adult incomes. Poor children who grew up in neighborhoods with less poverty made more money as adults, and stand a greater chance at escaping poverty than children in high-poverty communities. Place-based initiatives that utilize public-private partnerships to leverage private capital and expertise can provide a framework and investment for communities to address concentrated poverty and create a pipeline for a child's educational success and healthy development. Strengthening our

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public schools is another critical way to invest in our communities, for the long-term viability of our economy is dependent upon the education we provide our children and youth. Strengthening our education system includes ensuring that Title I funds are targeted to public schools in areas of concentrated poverty, as well as investing in educational spaces where children's academic, health and mentoring needs are met.

To truly make America great, we must tackle child poverty and invest in our nation's future – our children. The U.S. Child Poverty Action Group looks forward to working together towards creating a future that our children – and our nation - deserve.

### ***Endorsed by:***

First Focus Campaign for Children  
Save the Children Action Network  
Child Welfare League of America  
National Center for Children in Poverty  
American Federation of Teachers  
National Council of La Raza  
PICO National Network  
National Black Child Development Institute

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<sup>i</sup> "Income and Poverty in the United States 2015," U.S. Census Bureau, 2016, available at: <http://www.census.gov/library/publications/2016/demo/p60-256.html>.  
<sup>ii</sup> "Adverse Childhood Experiences," Centers for Disease Control and Prevention, 2016, available at: <https://www.cdc.gov/violenceprevention/acestudy/>.  
<sup>iii</sup> West, Rachel, Boteach, Melissa and Vallas, Rebecca, *Harnessing the Child Tax Credit as a Tool to Invest in the Next Generation*, Center for American Progress, 2015, available at: <https://cdn.americanprogress.org/wp-content/uploads/2015/08/11114756/ChildAllowance-report.pdf>.  
<sup>iv</sup> "Lack of Progress on Child Poverty Reduction Prompts the Formation of a New National Coalition," First Focus, Press Release, 2016, available at: <https://firstfocus.org/news/press-release/lack-of-progress-on-child-poverty-reduction-prompts-the-formation-of-new-national-coalition/>.  
<sup>v</sup> U.S. Child Poverty Action Group, 2016, <http://www.childpovertyusa.org/>.  
<sup>vi</sup> Branosky, Natalie, and Mansour, Jane, *A Look Back at the UK Child Poverty Target: Transferable Themes for the U.S.*, First Focus, Report, 2015, available at: <https://firstfocus.org/resources/report/a-look-back-at-the-uk-child-poverty-target-transferable-themes-for-the-united-states/>.  
<sup>vii</sup> Marr, Chuck, Huang, Chye-Ching, and Sherman, Arloc, "EITC and Child Tax Credit Promote Work, Reduce Poverty and Support Children's Development, Research Finds," Updated 2015, available at: <http://www.cbpp.org/research/federal-tax/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens>.  
<sup>viii</sup> The Heckman Equation, visited Dec. 2016, available at: <http://heckmanequation.org/>.  
<sup>ix</sup> Howard, Karen, Home Visiting Programs Work: Here's the Proof, Chronicle of Social Change, 2016, available at: <https://chronicleofsocialchange.org/opinion/home-visiting-programs-work-heres-the-proof/20487>.