

The United States is facing a deep recession with an unemployment rate of ten percent. 15 million Americans are out of work and nearly six million have been so for six months or more.ⁱ Unemployment not only tightens a family's budget, but directly impacts children's futures. Studies have shown that a parent's unemployment has negative effects on a child's education, future earning potential, and emotional well-being.ⁱⁱ In addition, workers in their teens are bearing the brunt of this current economic downturn with an unemployment rate that is more than two and a half times the national rate.ⁱⁱⁱ As President Obama and Congress work to address our country's unemployment crisis, the following initiatives will create jobs and help our nation's children and families.

JOB CREATION

SCHOOL CONSTRUCTION

During debate on the *American Recovery and Reinvestment Act (ARRA)*, the House of Representatives passed a bill that included \$16 billion for school construction. Unfortunately, this funding was eliminated during final negotiations. The Obama Administration has proposed \$50 billion be allocated to infrastructure projects in upcoming jobs legislation.^{iv} It is crucial that school infrastructure needs be met with these funds. Not only will this funding create jobs, but it will ensure 21st century schools for our children and alleviate the financial burdens on states and localities.

YOUNG WORKFORCE

Public sector job creation programs for youth create more net jobs per slot than for any other age group.^v Upcoming legislation should build on the success of the ARRA in putting youth to work. At 26.7 percent, the unemployment rate for youth aged 16 to 19 is well above the national average and the situation for certain young minority populations is substantially worse – the unemployment rate for Latino youth is 34.7 percent, and for African American youth, it is 49.4 percent.^{vi} Fortunately, ARRA has shown that these statistics can be effectively addressed:

Workforce Investment Act (WIA) Funding for Youth: The strength of WIA's existing infrastructure allowed the ARRA's investment in summer jobs to quickly put nearly 300,000 youth to work during the summer of 2009 in the private sector (hospitals, retail stores, etc.), nonprofit organizations (museums, community action agencies, etc.), and the public sector (public schools, community colleges, parks, etc.).^{vii} By expanding the investment in WIA Youth Program Activities, including an emphasis on year-round employment opportunities and maintaining ARRA's expanded age of eligibility to 24, we can quickly reduce the high unemployment rates facing our young people.

Subsidized Jobs and Job Training: The fiscal year 2010 Omnibus Agreement provides \$45 million for transitional jobs. The First Focus Campaign for Children supports this program funding and believes that disconnected youth and TANF recipients should be target recipient groups. The ARRA Emergency Fund for the TANF block grant also includes an important source of funding for subsidized employment programs and should be extended through 2012.

SCHOOL DISTRICT HOMELESS STAFF

The recession has led to a dramatic increase in homelessness. The Department of Education reports a 17 percent increase in the number of homeless students enrolled in public schools during the 2007-2008 school year, a number that is expected to grow.^{viii} Moreover, in a survey of school districts across the nation, one-fifth of the 1700 responding school districts enrolled more homeless students by Thanksgiving of last year than they enrolled during the entire previous school year.^{ix} The ARRA included funding for the Education for Homeless Children and Youth program, which provides school districts with funding for staff (McKinney Vento Homeless Liaisons) that identify and support the success of homeless students. School budgets are tightening, and the number of homeless students is growing. An additional investment in the Education for Homeless Children and Youth program will create jobs in school districts while addressing the needs of some of America's most vulnerable children.

RELIEF FOR FAMILIES

UNEMPLOYMENT INSURANCE - DEPENDENT ALLOWANCE

Extending ARRA's unemployment insurance provisions that are due to expire at the end of December would protect 1 million families from losing their benefits by January 2010 and 3 million families from losing their benefits by March 2010^x. These families would also benefit from a federal provision allocating an allowance of \$15 per dependent per week, a benefit currently included as one of the optional programs states can implement as part of an incentivized modernization program. This initiative can be federally enacted on a temporary, year-long basis, similar to the ARRA-funded \$25 per week benefit increase. To date, the dependent allowance remains the modernization provision least taken up by the states.^{xi} However, a temporary federal provision providing this funding would afford necessary financial support to families who would spend the allowance quickly, while also raising state awareness of this important aspect of unemployment compensation modernization.

SNAP

As of November 2009, hunger in the United States is at a 14-year high. Even more troubling is that this year 323,000 more families with children face "very low food security," as compared to 2008.^{xiii} Increasing federal support for SNAP will help states meet this increased need and improve our economy. According to the USDA, each dollar in federal SNAP benefits generates \$1.84 in economic activity.

CHILD TAX CREDIT

Utilizing the Child Tax Credit (CTC) to provide targeted relief to families with children is an important tool during economic downturns. The February 2008 economic stimulus package provided an extra one-time \$300 payment per child to families eligible under the CTC. Most recently, the February 2009 ARRA package expanded CTC access to families with earnings as low as \$3,000. Expanding the refundability of the CTC by eliminating the income threshold completely (as the House passed during ARRA debate) would continue to lift children out of poverty, as families already eligible would receive larger credits and every American family with children would be ensured access.

WORK SUPPORTS

CHILD CARE/HEAD START

Investments in child care subsidies through the Child Care and Development Block Grant (CCDBG) and early learning programs such as Head Start and Early Head Start are exponentially beneficial as they allow low income parents to enter or reenter the workforce and create new jobs for child care providers and teachers. An expenditure of \$1 billion in new funds for child care in this bill will provide care for 153,470 children and create paid work for an estimated 58,982 caregivers^{xiii}. An additional \$1 billion for Head Start and Early Head Start will allow 38,324 more children to enter these programs (23,761 into Head Start and 14,563 into Early Head Start) and create 25,292 jobs (11,529 in Head Start and 13,763 in Early Head Start)^{xiv}.

STATE FISCAL RELIEF

According to the Center of Budget and Policy Priorities, even with the federal aid to states provided in ARRA, state budget gaps will total \$350 billion for fiscal years 2010 and 2011.^{xv} Additional aid to states will ensure that governors can close these budget gaps without eliminating jobs and cutting vital services in areas such as K-12 education, Medicaid, TANF, school transportation, childcare, and mental health.



The First Focus Campaign for Children is a 501(c)(4) nonprofit organization affiliated with First Focus, a bipartisan children's advocacy organization. The Campaign for Children advocates directly for Congress to ensure children and families are a priority in federal policy and budget decisions.

For more information about the Campaign for Children's Family Economics portfolio, contact Megan Curran (MeganC@firstfocus.net) or Chris Kelly (ChrisK@firstfocus.net).

ⁱ Bureau of Labor Statistics, U.S. Department of Labor. 4 December 2009.

ⁱⁱ Luo, Michael. "Job Woes Exacting a Toll on Family Life." *New York Times*. 12 November 2009.

ⁱⁱⁱ Bureau of Labor Statistics, U.S. Department of Labor. 4 December 2009.

^{iv} Clarke, David. "Obama Sets Priorities for New Job Creation Effort." *CQ Today Online News*. 8 December 2009.

^v Sum, A. Center for Labor Market Studies, Northeastern University. December 2008.

^{vi} Bureau of Labor Statistics (2009). *The Employment Situation – November 2009*. USDL-09-1479. Web. 8 December 2009.

<http://www.bls.gov/news.release/pdf/empisit.pdf>.

^{vii} "Recovery Act: Funds Continue to Provide Fiscal Relief to States and Localities, While Accountability and Reporting Challenges Need to Be Fully Addressed." United States Government Accountability Office (GAO). GAO-09-1016. September 2009 (updated November 2009).

^{viii} National Center for Homeless Education. (2008). Education for Homeless Children and Youth Program: Analysis of Data from the 2006-07 Federally Required State Data Collection for the McKinney-Vento Education Assistance Improvements Act of 2001 and Comparison of the 2004-05, 2005-06, and 2006-07 Data Collections. <http://www.ed.gov/programs/homeless/index.html>.

^{ix} Duffield, B. and Lovell, P. (December 2008). *The Economic Crisis Hits Home: The Unfolding Increase in Child and Youth Homelessness*. Washington, DC: First Focus. Available on-line at <http://www.firstfocus.net/Download/TheEconomicCrisisHitsHome.pdf>.

^x National Employment Law Project News Release. 18 November 2009.

^{xi} "ARRA Incentive Funding State Reforms." National Employment Law Project. August 2009.

^{xii} DeParle, Jason. "Hunger in the U.S. at 14-Year High." *New York Times*. 17 November 2009.

^{xiii} Unpublished estimates from the Center for Law and Social Policy (CLASP).

^{xiv} Unpublished estimates from the National Head Start Association (NHSA).

^{xv} McNichol, Elizabeth and Nicholas Johnson. "Recession Continues to Batter State Budgets; State Responses Could Slow Recovery." Center for Budget and Policy Priorities. 19 November 2009.