Focusing on Child and Family Poverty

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Talking about poverty – strategies to reduce

Effects of Hurricane Katrina, but discussions faded quickly

State/community actions

- Connecticut
- New York City

Exploring anti-poverty investments
- Poverty statistics
- Research on the effects of poverty
  - Economic costs of poverty
  - Effects of growing up in poverty
- Broad-based strategies on poverty
- Promising initiatives
Child and Family Poverty

- Poverty thresholds
  - Federal HHS poverty guidelines 2007
    - $17,170 for a family of three
    - $20,650 for a family of four

- Low-income families – 200% of poverty level
  - $34,340 for a family of three

- Living wage
- Cost of living
Children living in poor families

- Nearly 13 million (18%) of the nation’s children live in families below the poverty level.
- Another 15 million live in low-income families (above poverty, but below 200% of the federal poverty level).
- Most of these children – 55% -- have parents who work full-time.
Child Poverty Rates -- 2005

- 20% or more (13 states): AL, AZ, AR, DC, GA, KY, LA, MS, NM, NY, NC, TX, WV
- 15-19% (19 states): CA, FL, IL, IN, KS, ME, MI, MO, MT, OH, OK, OR, PA, RI, SC, SD, TN, WA, WI
- 10-14% (17 states): AK, CO, CT, DE, HI, ID, IA, MD, MA, MN, NE, NV, ND, UT, VT, VA, WY
- Under 10% (2 states): NH, NJ
Number of Children Living in Poverty
1990 - 2005 (millions)
Child Poverty by Race -- 2005

- White children: 10% (4.2 million)
- Asian children: 11% (0.3 million)
- Latino children: 28% (4.1 million)
- American Indian children: 29% (0.1 million)
- Black children: 35% (3.7 million)
Poverty rates are higher for young children

- 20% of children from birth to age 5 live in poor families
- 16% of children age 6 or older live in poor families
Poverty rates are higher for children in single parent families

- 38% of children in single parent households are poor
- 9% of children in two-parent households are poor
Most poor children live in working families

- Almost one-third (32%) of poor children live in families where at least one parent works full-time, year-round.
- An additional one-third (33%) of poor children live in families where a parent works part-time or part-year.
- More than one-half of low-income children (55%) live in families where at least one parent works full-time, year-round.
Effects of Child Poverty on Outcomes

- Education
- Earnings
- Health
- Involvement in juvenile justice and criminal justice system
- Teen pregnancy
Simple comparisons

Compare adults outcomes for children with incomes between the prenatal year and age 5:

- Below the poverty line
- 1-2 times the poverty line
- 2+ times the poverty line

Economic Costs of Early Childhood Poverty, Greg J. Duncan, Ariel Kalil, Kathleen M. Ziol-Guest
Completed Schooling by Early-Childhood Poverty Status

Years of Schooling

- Poor
- Near Poor
- Middle Class+
Adult Earnings by Early-Childhood Poverty Status

- **Poor**: 20,177
- **Near Poor**: 27,764
- **Middle Class+**: 36,788

Earnings
Adult Physical and Mental Health by Early Poverty Status

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<thead>
<tr>
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<th>Poor overall health</th>
<th>High distress</th>
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<tbody>
<tr>
<td>Poor</td>
<td>8.5</td>
<td>6.4</td>
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<tr>
<td>Near Poor</td>
<td>6.3</td>
<td>3.2</td>
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<tr>
<td>Middle Class+</td>
<td>5.0</td>
<td>3.5</td>
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Poor overall health

High distress
Crime and Nonmarital Childbearing by Early Poverty

- Arrests (men only): Poor - 29.9, Near Poor - 17.8, Middle Class+ - 13.4
- Teen birth (women only): Poor - 54.3, Near Poor - 25.0, Middle Class+ - 8.7
Direct effects of early poverty

Controlling for other factors

- Parents’ education
- Family structure
- Demographic characteristics
- Income in later years

- Earnings – 12% reduction due to growing up in poverty – more than $2,000 a year

- Mental health – increased incidence of serious psychological distress during adulthood
  - 6.4% for child who grew up in poverty compared to 4.8%.
Economic Impact of Poverty

- Estimating the costs and lost productivity due to children growing up in poverty –
  - $500 billion – 4% of Gross domestic Product
  - Reduced productivity and economic output
  - Costs of higher crime rate
  - Increased healthcare costs and health problems
Strategies to Reduce Poverty and the Effects of Poverty

- Comprehensive approaches
- Initiatives
  - Provide assistance to families to weather financial and employment crises
  - Support transitions into the workforce for vulnerable populations
  - Improve the return on work – make work pay
Poverty initiatives

- Increase access to education and training for low-income workers
- Promote and protect families’ assets
- Expand access to health insurance and health care
- Improve access to work supports, such as child care and transportation
- Invest in birth-to-five child development efforts
  - Pre-K
  - Home visits
Poverty initiatives

- Increase availability of and access to affordable housing
- Strengthen family relationships
- Create community and economic development strategies for disadvantaged communities