Maintaining the Momentum to Reduce Child and Family Poverty

*In-Depth Lessons from the 2015 Census Poverty and Income Reports*

**Executive Summary**

On September 13, the U.S. Census Bureau reported important economic improvements including sharp reductions in the poverty rate and in the share of Americans without health insurance. Yet those improvements co-exist with distressing and persistent disparities that could undercut the nation’s future by hindering success for America’s next generation.

What should Americans take from these findings, and how can they guide action? This report unpacks the key data points, including insights from CLASP’s original analysis of the data; places them in the context of research about the causes and consequences of poverty; and proposes an action agenda of policy solutions.

**An Overview of Findings and Policy Solutions: Poverty Down, Health Coverage Up, But Disparities Still Hold Back America’s Next Generation**

The Census Bureau’s annual report on poverty, income, and health coverage shows major economic improvement on a number of indicators, including a drop in poverty from 14.8 percent of Americans in 2014 to 13.5 percent in 2015. The health coverage report shows the smallest share of Americans ever to be uninsured, with just 9.1 percent (29 million) of people without insurance in 2015, down by about 4 million people from 2014. Virtually all groups of Americans, including children, shared in the poverty reduction, with about one million fewer children living in poverty and the child poverty rate improving from 21.1 percent in 2014 to 19.7 percent in 2015.

An in-depth analysis of these data uncovers both good and bad news. As the country prepares for a new president and Congressional leaders make plans for 2017, CLASP’s analysis highlights four major points that should undergird an agenda to maintain and build on the momentum from 2015 to sharply reduce poverty for all Americans.

**First, despite clear improvement, America’s children and young adults—our next generation of workers—still have the highest poverty rates, and children and young adults of color, the soon-to-be majority of that rising generation, experience sharply elevated poverty even within that group.** Despite the 2015 improvement, the child poverty rate remained at one in five children, above the rate before the Great Recession. For young adults (ages 18-24), the 19.0 percent poverty rate was virtually unchanged from 19.6 percent in 2014. Despite their particular vulnerability, young children (under age 5) continued to have the highest poverty rates among children (21.4 percent or 4.2 million young children).
More than four in ten children (and 44.5 percent of young children) live in low-income families with incomes less than twice the federal poverty level—meaning that a typical childhood experience is living in or near poverty in a family that struggles to make ends meet.²

CLASP analysis of the Census Bureau data finds additional evidence of the pervasiveness of poverty among families with children. Looking at the data with a two-generation lens, we find that about one quarter of adults under age 30 who are parents live in poverty. Without additional policy interventions, high levels of poverty among so many children, young adults, and their families risk not only their future success in education and the workforce but also the nation’s success.

Second, in addition to the strong economic trends, the report also includes important positive news about the effectiveness of major national programs that help low-income individuals and families. Notably the report includes data quantifying the continued success of the Affordable Care Act, the Earned Income Tax Credit (EITC), and the Supplemental Nutrition Assistance Program (SNAP), among others, in helping large numbers of Americans. For example, the Census Bureau’s special calculations to estimate the effects of the EITC and SNAP on poverty (necessary because these programs are not included in the regular poverty measure) finds that in 2015, the EITC and other refundable tax credits raised 9.2 million people out of poverty and SNAP raised 4.6 million.

Third, the analysis highlights high levels of work among parents in these poor and near-poor families: in 2015, about 70 percent of poor children and 84 percent of low-income children lived with at least one worker. Low wages, inadequate hours, and unstable jobs—not the failure to work—are holding them back from economic stability. In fact, we found that about one in six poor parents (16 percent) is working part-time because they can’t find full-time work (known as “involuntary part-time”). Among all part-time workers in this situation, more than one in five are poor and about half are low-income.

Fourth, children and young adults of color are far more likely to be poor than White children. Children of color are already a majority among the youngest children and will become a majority of all children in the next few years. Yet even with some improvement in the disparity in 2015, about one third of Black children and about three in ten Hispanic children live in poverty—despite more than two-thirds of poor Black and Hispanic children living in households with a working adult family member. The poverty rate for White non-Hispanic children remained largely unchanged in 2015, at 12.1 percent.³

The new Census numbers shine a spotlight on the critical difference that public policy can make, particularly the historic improvements in health insurance coverage due to the Affordable Care Act. To build on policy successes to date, five additional bold steps would go a long way toward turning around child and family poverty, tearing down systemic barriers that affect families of color, and enabling children and youth now living in poor families to achieve an economically secure future:

1. Affordable and high-quality child care for all low-income families, so parents can work and children can thrive. Current investments reach only a fraction of eligible families.⁴

2. A substantial jobs agenda, providing opportunities for low-income workers to earn a living wage and gain skills on the job, and including a substantial federal investment for subsidized summer and year-round employment for youth and young adults.⁵

3. Financial access to postsecondary education for all low-income students, including both youth and adults, so they can get the credentials they need to succeed at work—and also make ends meet for themselves and their families.⁶
4. Access for all workers, including low-income workers, to paid family and medical leave, earned sick days, and fair schedules, so they don’t have to forego their own and their children’s health and wellbeing to maintain economic security.7

5. Improvements to the safety net that fill gaps and build on the proven success of the EITC and other programs, such as extending help through the EITC to low-wage adults without dependents and young adults (including non-custodial parents and others who play a crucial role in children’s lives) and ensuring that young children everywhere in the country have at least a minimum income floor.8

**Detailed Findings**

**Children and Young Adults**

Even after the poverty reduction in 2015, our nation’s next generation of children and young adults face sharply elevated poverty rates compared to other Americans, posing long-lasting risks to their health, education, and earnings. According to Census data, 13.5 percent of Americans were poor in 2015, a major improvement from 14.8 percent in 2014. Within this overall average, however, children (under age 18) and young adults (ages 18-24) are most likely to live in poverty.

- In 2015, about one in five children (19.7 percent) lived in poverty. The poverty rate for children is down from 21.1 percent in 2014 but still higher than in 2007, before the Great Recession.
- More than four in ten (41.8 percent) of children live in low-income families whose income is less than twice the federal poverty level (FPL). While improved from 2014, this means that growing up in a family struggling to make ends meet is a typical childhood experience.
- Despite strong research evidence about children’s vulnerability to lifelong bad consequences, young children—under the age of 5—continue to have the highest poverty rates among any age group at 21.4 percent. The rate is higher yet for young Black children and young Hispanic children (39 percent and 30.2 percent, respectively).

The profound consequences of poverty for young children are well documented, including negative outcomes in childhood and later on in education, employment, and earnings. Poor children, especially the youngest, have a higher risk of poor health, low educational attainment, and low wages than their economically secure peers. Children growing up in poverty experience higher incidence of developmental delays and learning disabilities; and the longer children live in poverty, the worse their adult outcomes on such measures as employment earnings records.9

Researchers have found that the underlying reasons for these bad outcomes on children and their parents include the direct effects of poverty—such as food and housing insecurity, exposure to violence, and the lack of health care—as well as the high levels of stress that poverty imposes on parents, which in turn affects the attention they can give their children. In addition, looking broadly at all aspects of children’s experiences—including their communities, schools, and environments—systemic disparities persist between the lives of rich and poor families, causing poor children to be less prepared to reach their full economic potential when compared to their more-advantaged peers.10

Poverty for children is both broad—that is, a common experience—and deep. About 8.9 percent of children live in families experiencing deep poverty—which means they are living at or below 50 percent of the federal poverty level (just $10,045 for a family of three in 2015). The share of children experiencing deep poverty has increased over the past two decades, a trend attributed by researchers to
changes in both the labor market and the public safety net (in particular, the erosion of cash support under the TANF program). The consequences for children can be dire, including extreme housing instability and homelessness. In fact, national data on the age of homeless shelter residents show the most common age is birth to age 1.\textsuperscript{11}

Poverty rates for young adults are very similar to the rates for children. For young adults about one in five lives in poverty and about four in ten live in low-income households with income less than 200 percent FPL. Young adults also are distressingly likely to live in deep poverty—about 10.3 percent.

Many causes contribute to high levels of poverty for young adults, particularly young adults of color. Poor young adults of color experience high levels of unemployment for reasons that include lack of networks and access to quality jobs, discriminatory hiring practices among public and private sector employers, systemic and implicit bias in the justice system, and changes in the job market for younger and less-educated workers particularly in the immediate aftermath of the Great Recession. In addition, young adults who have grown up in poor communities face the consequences of deep disparities in access to quality education between high-poverty and low-poverty schools. Further, some research suggests that young workers are concentrated in jobs of the lowest quality even when they are employed.\textsuperscript{12}

Further restricting the opportunities for low-income young adults to improve their incomes and access to the labor market, postsecondary education is too often closed to them precisely because of their low incomes. The overwhelming majority of jobs that pay a living wage in today’s economy require postsecondary training: in the seven years since the recession ended, over 95 percent of new job growth went to individuals with a postsecondary credential. When low-income adults, however, including young adults and especially parents, respond to this labor market demand for increased credentials, they face significant barriers to completing college. These students are too often economically trapped by the rising costs of postsecondary education, combined with the lack of comprehensive supports for today’s students (the majority of whom are non-traditional, financially independent students) and severe disparities in the quality of K-12 education that offer many low-income students poor preparation for college.\textsuperscript{13}

Financial aid policies that are not responsive to the needs of low-income people striving for postsecondary education add to already high levels of unmet need, making it more difficult for students to complete school and attain a credential. Low-income adults, primarily low-income Black and Hispanic adults, face the greatest unmet financial need (gap between their own financial capacity and the full cost of education after applying all student aid for which they qualify). When they try to work to fill in the gaps, many students struggle to attend classes while managing volatile schedules in jobs that offer few accommodations for students. Yet America’s future depends on increasing postsecondary credentials among the youth and young adults in these communities who represent a significant part of the changing demographics of the country.\textsuperscript{14}
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Effectiveness of Major National Programs

National policies have successfully reduced poverty and increased health insurance coverage. The recent poverty data add to the strong body of evidence showing that the nation’s core economic security programs are highly effective: they sharply reduce poverty, improve nutrition and health care for millions of children, families, and individuals, and promote work. Moreover, a growing body of rigorous research shows that these supports have positive effects on children’s health, work trajectory, and income many years later. Research also indicates overwhelmingly that these programs taken as a whole support work, especially for low-income parents, helping them to stabilize their lives, raise their children, and move up while managing long hours and low wages.

Because the official federal poverty rate doesn’t count the income families get from these programs, assessing the reduction in poverty requires estimating an alternative poverty rate. In 2015, the Census Bureau’s analysis of this Supplemental Poverty Measure (SPM) shows that refundable tax credits, such as the EITC and CTC, reduced overall poverty (as measured by the SPM) by 2.9 percentage points and child poverty by a remarkable 6.5 percentage points. Similarly, SNAP benefits reduced overall poverty by 1.4 percentage points and child poverty by 2.7 percent. Researchers at Columbia University who used similar methods to analyse the effect of these key programs over time found that in the most recent year available to them, 2012, government tax and transfer policies reduced the share of people who are poor by almost half, from 29 percent to 16 percent. By contrast, in 1967, tax and transfer programs reduced poverty by just 1 percentage point, from 27 percent to 26 percent.

The federal safety net programs have dramatically changed the lives of low-income families, both poor and near-poor, through large improvements in access to health care and nutrition. To take the example of health care, over the past decade, children’s health insurance coverage increased dramatically as a result of bipartisan improvements to the safety net, particularly Medicaid and the Children’s Health Insurance

Two-Generational Impact:
New Analysis of Poverty Data Highlights Young Adults Who are Parents

CLASP’s original analysis shows that young adults who are parents are strikingly likely to be poor. This finding applies not only to the youngest adults, ages 18-24, but also to all adult parents under 30. Among all adults ages 18-29 who are parents, a startling one-quarter live in poverty (more than 30 percent among those under age 25). About 83 percent of these poor young adult parents have a child under age 6, suggesting that the combination of young adult parents and young children leads to particular vulnerability.

Parents in their 20s are even more vulnerable than their peers who are not parents to the systemic barriers, policy gaps, and labor market trends described earlier. Although about one-quarter of undergraduates are raising children, low-income parents who want to improve their economic stability by gaining a postsecondary credential face even more hurdles and challenges than other low-income students. They are more susceptible to higher debt levels and lower completion rates. Parents’ stability on the job is also substantially affected by their children’s wellbeing, particularly in low-wage jobs where workers have little or no access to paid family leave or sick days. As a result, when a child experiences health, emotional, or school problems associated with poverty, a parent can easily be docked pay or lose his or her job in response, thus taking the family into a downward spiral. The stakes are high for our country’s future when these families must place at risk both the parents’ career success and the child’s long-term development.
Program (CHIP). In 2013, the Census Bureau found that only 7.3 percent of children under age 18, or 5.4 million children, were uninsured, a reduction of over 2 million uninsured children since 2000. Then in 2014, as a result of the Affordable Care Act, adults’ health insurance coverage soared to historic levels, with the share of Americans lacking insurance coverage down to 10.4 percent in 2014 from 13.4 percent in 2013. This trend continued in 2015 with another historic low rate of Americans without insurance at 9.1 percent.19

It is important to recognize the role of strong national programs in reducing the harmful effects of poverty. Unsurprisingly, the largest gains in health insurance coverage occurred in states that adopted the Medicaid expansion. For poor adults, the uninsured rate fell by 15.3 percentage points in two years, from 34.1 in 2013 to 18.8 in 2015, compared to a 9 percentage point drop in the same period in non-expansion states.20

In contrast to the strong effects of SNAP and the EITC on poverty, and of the Medicaid expansion on health insurance coverage, programs with a weaker design have not worked as well. Twenty years after welfare reform, cash assistance under the Temporary Assistance for Needy Families (TANF) block grant lifted just 0.2 percent of poor families out of poverty (based on the SPM)—providing a strong caution against block grants and similar provisions.

**High Levels of Work Among Poor Families**

Poor and low-income families typically include working adults, a finding confirmed again by the 2015 Census reports. About 70 percent of poor children and 84 percent of low-income children live in families with at least one worker. More than 30 percent of poor children and more than half of low-income children live in families with at least one worker employed full time, full year. Among poor children of color, the rates are very similar: more than two-thirds of poor black children and fully three-quarters of poor Hispanic children live in families with at least one worker.

| Part-Time is Not a Choice:  
The Prevalence of Involuntary Part-Time Work |
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<td>Because of the nature of the low-wage labor market, many workers in poor families want to work more hours but cannot find full-time work (a problem known as “involuntary part-time work”). Parents, like other workers, may want to work enough hours to stabilize their family’s income, but part-time jobs may be the only ones available. Nearly 16 percent of poor parents and the same share of all poor workers are working part-time even though they want full-time schedules. Workers of color are especially likely to be working part-time involuntarily: more than 20 percent of Black poor workers and 16 percent of Latino poor workers are working part-time involuntarily compared to about 14 percent of White poor workers.21</td>
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<td>Poverty and low-income rates among parents and other workers who experience involuntary part-time schedules are far higher than the rates for all Americans. In 2015, about 22 percent of involuntary part-time workers are poor (compared to the overall poverty rate of 13.5 percent) and nearly half are low-income. Poverty rates are even higher for involuntary part-time workers who are Black (34 percent), Latino (28 percent), parents (34 percent), and under age 25 (23 percent).</td>
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Parents’ low-wage, low-quality jobs have damaging consequences for families. Although the majority of poor and low-income families include working adults, many of these workers have low-quality jobs that hold their families back in multiple ways. These jobs lack paid sick time and paid family and medical leave, and are characterized by variable schedules and inadequate hours. For example:

- Only 5 percent of civilian U.S. workers who are among the lowest 25 percent of wage earners have access to paid family leave. More than half of all U.S. workers lack even job-protected unpaid leave.22
- Nearly 80 percent of workers earning less than $15,000 per year and about half of workers earning between $15,000 and $34,999 per year lack access to even a single paid sick day. While 40 percent of all workers lack access to paid sick days, the same is true of 60 percent of Latino workers.23

Many workers experience volatile schedules that change from week to week, often with little advance notice. For example, a national survey of early-career workers found that nearly three-quarters of workers experience such fluctuation in hours.24

Further increasing the risks to children and to parents’ economic stability, many of these low-income working families lack access to affordable, quality child care. The average annual costs of center-based care for a 4-year-old ranges from $4,312 in Mississippi to $12,355 in New York—typically out of reach for low-income families. Poor families who do pay for child care spend approximately 30 percent of their income on child care, compared to higher-income families who pay 7 percent on average. The federal government offers child care assistance to families so parents can go to work or school, yet it reaches fewer than one in six federally eligible children due to funding shortfalls. As of 2014, combined federal and state spending on child care assistance reached a 12-year low, and the Child Care and Development Block Grant (CCDBG), the primary source of child care assistance for low-income parents, was serving the smallest number of children in 16 years.25

Children in poor families where parents are working at low-wage, low-quality jobs typically experience both unstable and inadequate family income and threats to their development as a result of the rigid yet unstable workplace conditions for parents. Parental stress from these low-wage, low-quality jobs contributes to young children’s developmental risk, as does lack of access to high-quality child care. And the multiple risks can compound each other: the complexity of low-income work with non-traditional hours and variable work schedules can further limit access to stable child care as parents must scramble to make arrangements with limited notice and during hours when little care exists. Researchers have documented the damaging consequences of low-quality jobs and lack of access to child care for both child and family wellbeing and family economic security, including the ability to escape poverty:26

- Without paid sick days, taking time to recover from the flu or care for a sick child can mean not only being docked pay but also losing a much-needed job. One study found that one in seven low-wage workers and one in five low-wage working mothers had lost a job in the past year due to illness or caring for a sick family member. Volatile scheduling has grave effects on working families. Workers with unpredictable and unstable work schedules experience greater work-family conflict, stress, marital strife, and less time spent with children; and their children may perform poorly in school. Many struggle to arrange child care and transportation and may have difficulty scheduling medical appointments for themselves and their families, contributing to weaker health outcomes. And despite needing more income, many workers who are involuntarily working part-time have difficulty holding a second job because of their inability to predict their work schedules.27
• In the weeks and months after the birth of a child—crucial moments for child development that have lasting effects on children’s lives—lack of access to quality jobs leaves many families in situations of extreme instability. According to a U.S. Census Bureau report, while 50 percent of women reported using paid leave (which included multiple forms of leave, such as vacation, sick time, and personal days, often cobbled together) after a birth, one in five mothers report quitting their jobs as their “leave arrangement.” Some groups of women quit in order to take leave at much higher rates: 50 percent of those without a high school diploma and one third of 18-19 year olds left their jobs.  

• Without access to affordable, stable child care, parents’ earnings and job stability suffer, as does their children’s learning and development. Quality child care is particularly important for poor children as it can support their early learning and development in addition to their parents’ employment and education. Research shows that access to child care assistance is linked to improved employment outcomes for parents: families receiving child care subsidies are not only more likely to be employed, but also tend to have more stable employment. Child care subsidies can also help parents achieve improved financial wellbeing through the ability to afford other, non-child care services, save money, pay bills, and reduce debts. Decades of research show that access to high-quality child care and early education experiences benefits all children, particularly low-income children. And child care subsidies make higher-quality child care programs more affordable for low-income families.

**Systemic Disparities for People of Color**

Children, youth, and families of color fare far worse than their non-Hispanic White counterparts as a result of systemic failures in public policy and in the economy that hinder their and their families’ success. While the 2015 Census report shows some progress in reducing disparities, children of color remain far more likely to experience poverty—with all the risk for child development described earlier—than White children. This is true even though they are likely to live with working adults. Continuing to reduce disparities in the years to come has particular urgency for the country because babies of color are already the majority, and children of color will be the majority of all children by the early 2020s.

• About one-third of Black children lived in poverty in 2015—about one-and-one-half times the rate for all children and almost three times the rate for non-Hispanic White children. About three in ten Hispanic children lived in poverty, more than twice the rate for White children. Hispanic children make up the largest share of poor children—36.3 percent or 5.2 million children compared to 3.4 million Black non-Hispanic children and 4.6 million non-Hispanic White children.

• Stark as these disparities are, they represent a narrowing of the gap from 2014, when almost four in ten Black children lived in poverty, as did almost one third of Hispanic children. Poverty among non-Hispanic White children remained approximately constant from 2014 (12.3 percent) to 2015 (12.1 percent).

• Among the most vulnerable children, those under age 5, fully 39.0 percent of Black children and 30.2 percent of Hispanic children lived in poor families, compared to 12.8 percent of White children.

• Far more children of color also experience deep poverty than their White peers: about one in every six Black children and one in nine Hispanic children, compared to fewer than one in 17 White children.

• Young adults of color also experience poverty at higher rates than their White peers—28.3 percent for Black young adults, 23.1 percent for Asian young adults, and 20.9 percent for Hispanic young adults.
CLASP, along with many researchers, has documented the systemic failures in public policy and the broader economy and labor market that help to explain these findings, shining a light on the changes needed for these children, youth, and families to succeed. Many systemic failures in public policy and the broader economy and labor market hinder the ability of children, youth, and families of color to thrive. One area of systemic failure is the reduced access that families of color have to basic services and opportunities for both parents and children, including health insurance, quality child care, K-12 education, and postsecondary education. For example:

- **Health insurance.** Despite the improvements in health insurance for all Americans shown in the Census report, state choices about whether to expand Medicaid have had a disproportionately damaging effect on low-income populations of color. According to the Kaiser Family Foundation, as a result of the disproportionate representation of people of color in states that have not expanded Medicaid, more than half of adults not covered because they earn too much for Medicaid but too little for the health exchange are Black or Hispanic. In part as a consequence, the Census report shows that Black and Hispanic working age adults have the highest rates of uninsurance: 15 percent and 23 percent, respectively.\(^\text{32}\)

- **Child care.** Low-income families need assistance to pay for child care, yet far fewer get help than need it. Even as so few eligible children are reached overall, CLASP analysis has uncovered widespread differences in access to child care assistance by race and ethnicity. Nationally, 13 percent of all eligible children were served in CCDBG but only 8 percent of eligible Hispanic children were. While a larger, though still inadequate, share of Black children get access to child care assistance (21 percent of eligible children nationally), at least one civil rights investigation, in Mississippi, has raised concerns about the quality of the programs they can access.\(^\text{33}\)

- **K-12 Education.** More than half of all public school children live in low-income families. As the number of poor children has risen, so has the number of children who attend high-poverty schools. High-poverty high schools, which disproportionately serve children of color, lack the necessary resources and supports to prepare students for postsecondary education. Students attending these schools have the least skilled teachers and limited access to both college preparatory courses (such as Algebra II, Calculus, and Physics) and schools counselors. Consequently, students in high-poverty schools are less likely to enroll in college or training programs that lead to viable careers.\(^\text{34}\)

- **Postsecondary education.** While a postsecondary credential is now crucial to economic security, disparate access to postsecondary education plays out sharply across lines of race and income. Low-income students and students of color are heavily concentrated in institutions with fewer resources and lower completion rates. A major reason for disparate access to higher education is students’ lack of financial resources. Unmet financial need disproportionately affects low-income students of color: at community colleges, 82 percent of Black students and 72 percent of Hispanic students have unmet need, compared with 61 percent of White students. The average annual gap between the cost of attendance and the amount covered by financial aid is $1,500 higher for Black students and $800 higher for Hispanic students than the average unmet need for White students. The problem is not limited to tuition and fees. Rather, low-income students and students of color are disproportionately likely to be financially independent of their parents—who may be facing their own economic challenges—and these students therefore struggle to cover their own and their children’s living costs while going to school.\(^\text{35}\)

Beyond the lack of access to basic services are other systemic failures that pose enormous obstacles for the economic success of children and families of color: mass incarceration and institutional racism in the education and justice system, lack of access to career opportunities and pathways for low-income
workers—especially poor youth and young adults of color—and destabilization of immigrant families as a result of both the threat and reality of detention and deportation.

For example, students of color are more likely to be subject to disciplinary action than other students who display the same behavior. To put the extent of the problem into perspective, Black and Hispanic students comprise 40 percent of the female population and 55 percent of referrals to law enforcement; Black and Hispanic students comprise 39 percent of the male population and 50 percent of referrals to law enforcement.  

The consequences of the justice system disparities play out in long-term effects on the career opportunities of both youth and adults through many factors. For instance, involvement in the juvenile justice system has negative effects on adolescents’ mental health and can cause unwarranted interruptions to their academic progress and work experience at a critical time in their biological and social development. Incarceration has negative lifelong impacts on employment, earnings, and health. What’s more, having a criminal record can prevent individuals from accessing employment and getting on a career path.  

Finally, in addition to higher unemployment and barriers to obtaining a job, low-income workers of color face another set of barriers once on the job. In particular, they are more likely to hold low-quality jobs that lack fair schedules and paid leave. For example, in 2012, 50 percent of White workers reported access to at least partially paid parental leave (often made up of various types of leave cobbled together), compared with 43 percent of Black workers and just 25 percent of Latino workers. Nationwide, over 40 percent of Latina mothers reported taking no maternity leave at all for their last pregnancy.  

Many immigrant families also face unique barriers to economic opportunity, including those related to language access, overrepresentation in low-wage and poor-quality jobs, and restricted access to public supports and benefits due to legal immigrants’ exclusion. For the five million citizen children who live in “mixed status” families, where one or more adults is not a citizen, economic security is further threatened when eligible children miss out on services and programs due to fear of immigration-related consequences for family members. Moreover, research suggests the stress, trauma, and economic insecurity associated with the undocumented status of parents has deeply damaging effects on young children’s healthy development.  

The 2015 Census report provides initial hope that these stark and persistent disparities in poverty for children, youth, and adults based on race and ethnicity could narrow if we act effectively in the coming years. We need to accelerate the pace of progress if we are to achieve economic security and a fair start in life for America’s next generation.

A Bold National Policy Agenda

As the nation prepares for a new president and Congressional leaders make plans for 2017 and beyond, CLASP recommends a bold public policy agenda to build on successes, promote family economic security, reduce poverty, and tear down disparities. The following five steps all build on existing successes and would make significant strides in our nation’s shared goal of promoting economic security for families and individuals:

1. Affordable and high-quality child care for all low-income families so parents can work and children can thrive.

Child care is central to the economic security agenda for families and children, particularly for women of color and their families. With 19.7 percent of children and 21.4 of young children living in poverty (and 41.8 percent and 44.5 percent respectively in low-income families), coupled with large numbers of
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parents working, the evidence summarized earlier shows that affordable child care is critical to improving parents’ work stability and earnings as well as children’s development. Investing in affordable, high-quality child care and early education provides an opportunity to boost both generations—children and parents—in poor families, improving their chances of escaping poverty.

Today’s major child care assistance program (CCDBG) reaches barely one in six eligible families and contributes to disparities because caps on federal funding as well as state policy choices mean that Latino families get far less access. Congress enacted a bipartisan reauthorization of the program in 2014 that includes valuable provisions to support access, continuity, and quality for working families—but it has not provided sufficient funds to support the improvements.

Therefore, a top priority in an anti-poverty agenda must be a significant increased investments for child care and early education so all low-income families have access to affordable, quality child care to go to work and/or get the education and skills they need, and to promote healthy development among poor children so that they can succeed in later life. Increased investments should both help families with the extreme costs of child care and enable child care providers to make a living wage and make investments in quality that foster healthy child development.

2. A substantial jobs agenda, providing opportunities for low-income workers to earn a living wage and gain skills on the job, and that includes a major investment in youth and young adults to gain a foothold in the labor force.

Jobs are key to improving the economic security of children, youth, and families. Many poor children live with working adults—but those who live in families without workers are at particular risk of deep poverty. Many other parents—and low-income youth and adults more broadly—are working too few hours to keep themselves and their families economically stable, so they are forced to accept part-time or part-year work when they want more. And still others are working yet need upgraded skills that would be best gained on-the-job, while also earning a living wage.

Youth and young adults, particularly those of color, face particular barriers to gaining access to jobs—and would therefore benefit greatly from good jobs and education and training pipelines specially targeted to them. For youth and young adults of color, particularly those from high-poverty neighborhoods, systemic disparities in their access to education and to career networks, along with the devastating effects of encounters with racial bias in the justice system and in employer hiring practices, contribute to sharply elevated levels of unemployment and underemployment. Further, the generation of young adults in their mid-to-late 20s entered a particularly weak labor market during the Great Recession and its aftermath, holding back their prospects and placing their futures at risk. Finally, we’ve seen above that improving jobs and economic security for young adults would have a double payoff for their own wellbeing and for the next generation, their children.

Therefore, the policy agenda to combat poverty should include a major focus on good jobs. Proposals to promote and expand employment—such as major new investments in public infrastructure improvement—should ensure that low-income, lower-skilled adult and youth workers gain access to job opportunities, including a substantial investment targeted to those who face significant barriers to employment because of involvement with the justice system. To reach these target groups, such initiatives should offer well-designed employment “on-ramps” with integrated education and training, and work-based learning opportunities such as paid on-the-job training, pre-apprenticeships, and other subsidized employment models with support services. And policymakers should ensure that the jobs created through these initiatives provide stable employment not only through decent wages but also by including such essentials as paid leave and fair scheduling.40
3. **Financial access to postsecondary education for all low-income students, including both youth and adults, so they can get the credentials they need to succeed at work—and also make ends meet for themselves and their families.**

As the 2015 poverty data show, many low-income adults work—but in jobs that are too unstable, offer too few hours, or pay wages too low to provide economic security. To move up, these low-income workers need a postsecondary credential.

Low-income students—and particularly students of color—face major affordability barriers that keep them from returning to school and, even more often, from successfully completing their studies. In particular, these adult students juggling school, work, and family responsibilities—that is, the “non-traditional students” who represent more than half of all undergraduates and a larger share of undergraduates of color—typically struggle while at school to find resources to pay for basic living expenses for themselves and their families, including housing, food, transportation, and child care.41

To help these adults and their children escape poverty requires a comprehensive policy agenda that goes beyond financial aid to place the urgent needs of the lowest-income students front and center. Proposals to make college “tuition free” and other efforts to reduce the burden of college costs should also address expenses beyond tuition and fees. At the federal level, successful plans will likely combine several strategies: large-scale incentives for states to support living expenses as well as tuition and fees, federal policy changes to make financial aid responsive to today’s students by addressing the needs and attendance patterns of non-traditional and low-income students, and improvements in other benefits that are crucial to low-income students (such as the child care proposal noted above). To most effectively reduce disparities, policy proposals should make sure marginalized/underserved individuals have access to financial support for postsecondary completion, including the currently and formerly incarcerated. Expanding federal and state financial aid is an important step toward fully realizing equity and access to postsecondary opportunities.42

4. **Access for all workers (including low-income workers) to paid family and medical leave, earned sick days, and fair schedules, so parents don’t have to sacrifice their families’ health and wellbeing to succeed on the job.**

Too many of the jobs held by poor and low-income parents are not only low-paying, but also lack access to paid leave and paid sick days and feature volatile schedules and inadequate hours. This makes it extremely difficult for parents to succeed at work and puts their children’s development at risk—a particularly pressing problem given the concentration of poverty among young children, who are most vulnerable to instability and parental stress. When a parent cannot stay home with a sick baby without being docked pay or losing her job, research suggests risks for both her child’s development and her family’s economic stability. Because low-quality jobs are more common among workers of color, they also likely contribute to disparities along racial and ethnic lines including in young children’s developmental outcomes and in parents’ and families’ economic stability.

Further, when jobs are unstable, other challenges faced by low-income families are escalated. For example, volatile schedules make it harder both to find and keep stable child care and to go back to school to gain a credential and move up at work.

An anti-poverty agenda for families and children needs to include access for all workers to paid family and medical leave, paid sick days, and fair schedules—in addition to enforcement of existing labor standards and a stronger minimum wage. Legislation already proposed in Congress would provide these crucial improvements: the FAMILY Act, the Healthy Families Act, and the Schedules that Work Act.
5. **Improvements in the safety net that fill gaps and build on the proven success of the EITC and other programs—such as by extending help through the EITC to low-wage adults without dependents including young adults—and ensuring that young children everywhere in the country have at least a minimum income floor.**

The Census Bureau’s calculations show that the EITC and CTC together reduce child poverty by 6.5 percentage points, or 4.8 million children. Their success attests to the value of national programs that reach children across the country, no matter the state where they reside. It also attests to the effectiveness of the EITC in particular in supporting work, by enabling low-wage parents to get a boost in earnings through the tax system.

Extending these proven programs to fill remaining gaps could have an important impact on the poorest children, young adults, and their families. Two gaps in particular stand out. First, the EITC provides only minimal help to adults without dependents, even though these adults often are non-custodial parents—who may be central to the lives of children. The EITC also omits young adults under age 25 who are not custodial parents, even though they may be struggling to enter the labor market. This is the lone group of workers who are taxed into poverty, because they do not receive enough EITC to offset their income taxes and payroll taxes. Low-income adults without dependents—often, young men of color—and their families do not get the boost to low wages that the EITC offers. The second gap is that families with the lowest incomes, including those with very few work hours—often due to health or mental health conditions, or other barriers—do not receive the full benefit of the EITC or the CTC. The share of children in deep poverty remains far too high, particularly for families of color, despite the growing body of research evidence demonstrating the importance of family income for young children’s development.

To fill these gaps, policymakers should enact EITC improvements that would increase benefits to low-income adults without dependents (including non-custodial parents) and allow young adults to receive this credit. Such a proposal has received bipartisan support from both President Obama and Speaker Ryan. The Council of Economic Advisors has estimated that 7.7 million workers would be eligible for a larger EITC, while 5.8 million workers would be newly eligible for the credit, lifting about half a million people above the poverty line and reducing the depth of poverty for 10 million more. Policymakers should also consider making the CTC fully refundable so the lowest-income families can benefit.

The nation stands today at an important crossroads. The successes documented by the Census Bureau’s 2015 report reflect both economic progress and policy achievements. Yet we need to maintain and even speed up the momentum if we are to bring the stronger economy to all, including especially the children and young adults who represent our future. As the nation transitions to new federal leadership, CLASP recommends a powerful package of linked policy changes to build on our nation’s successes and expand the economic recovery to all—especially the parents, children, and young adults for whom economic security is still a distant hope. The recommendations we have outlined would enable large-scale change that will pay dividends for the entire country.
Endnotes


15 The analysis includes all young children under 6 (age 5 and under), as opposed to young children under 5 (age 4 and under) in the other analyses. The reason is a difference in the way the CPS collects data for the two analyses. Only the under 6 data are available for related children living in a household.
17 Olivia Golden, Testimony on Renewing Communities and Providing Opportunities.


34. CLASP, *Course, Counselor, and Teacher Gaps*.


CLASP, *Yesterday’s Non-Traditional Student is Today’s Traditional Student*.
