TO: Members of the NAS Committee on Building an Agenda To Reduce the Number of Children Living in Poverty by Half in 10 Years

FROM: Olivia Golden, Executive Director, Center for Law and Social Policy

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RE: Five Bold Steps to Reduce Child Poverty in the United States

Thank you so much for the opportunity to provide policy recommendations for the committee’s important deliberations. Persistently high rates of poverty among American children, the devastating effects of child poverty on health, education, and employment outcomes, and the costs of child poverty to society underline the importance of the Committee’s mission: identifying policy initiatives to cut child poverty in half in 10 years.

Elevated and deeply distressing rates of child poverty compared to other countries have characterized the United States for decades. While these rates came down in 2015 from their spike during the Great Recession, one in five (19.7 percent) of children were still poor, higher than for any other age group.¹ And while the positive contributions of public safety net programs (particularly, as discussed below, refundable tax credits and the Supplemental Nutrition Assistance Program or SNAP) are not reflected in this rate, the Census Bureau finds that even after those significant reductions, 16 percent of children remain poor, still higher than for adults.²

We recommend five bold steps to achieve these goals, each building on evidence about the causes of elevated child poverty rates and the solutions that work:

1. **Sharply increase the availability of steady jobs that can support a family**—through strategies including subsidized jobs programs and improvements in job quality and wages.
2. **Ensure access for youth and young adults**—particularly youth and young adults of color—to postsecondary pathways that lead to economic security.
3. **Invest in affordable, high-quality child care** for all low-income young children.
4. **Protect the core safety net programs** that have reduced child poverty directly (including the EITC, CTC, SNAP, and disability programs) and indirectly (health insurance, housing subsidies) and expand them to fill crucial gaps.
5. **Tear down the systemic barriers based on race, language, and immigration status** that devastate economic security for children of color, children of immigrants, and their families.

We propose this cluster of solutions rather than one silver bullet since the persistence of child poverty in the United States over many decades argues against a single, simple solution.³ In addition, our recommended solutions aim both to prevent child poverty from getting worse—a real possibility—and to reduce rates sharply. Finally, while the committee’s specific charge emphasizes reducing the rate of child poverty more than ameliorating its impact, to the extent possible, our solutions do both at once, for example by reducing parental stress or child or parent ill health as well as improving family economic stability.
1. **Sharply increase the availability of steady jobs that can support a family—through strategies including subsidized jobs programs and improvements in job quality and wages.** Parents’ and caregivers’ jobs are key to improving children’s economic security and reducing poverty. About 70 percent of poor children live in a family with at least one worker, yet the increasing weakness of low-wage jobs for supporting families has left these families poor. The much smaller number of children who live in families without workers are at particular risk of deep poverty; for them, family members’ access to jobs is even more critical.

Key weaknesses of the low-wage labor market that directly affect child poverty include transient, temporary jobs; inadequate hours; low wages; and other features of low-quality work (such as the absence of paid sick days and family and medical leave), which particularly hinder parents in working steadily and moving up on the job. Among poor parents, about one in six (16 percent) is an involuntary part-time worker—meaning he or she would like to work full-time but can only get part-time hours; others are able to find work for only part of the year; and still others are working regularly yet need upgraded skills that would be best gained on the job, while also earning a living wage. And when jobs lack the basic protections that support economic security for parents, like paid sick days (unavailable to about 80 percent of workers making less than $15,000 a year) or paid family and medical leave, the result for children is doubly damaging: economic hardship combined with the additional developmental risks posed by parental stress and family instability. In one study, about one in five low-wage mothers had lost a job due to illness or caring for a sick family member.

Therefore, the policy agenda to combat child poverty should include two broad planks to support good jobs for all:

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

- **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.** For many low-wage workers without access to paid leave the birth of a child forces families into or deepens poverty, creating worse outcomes for mothers and their children. A mother’s rapid return to work is associated with poorer child outcomes that include lower rates of
breastfeeding and fewer immunizations, as well as increased behavioral problems. Similarly, mothers who take less than eight weeks of paid leave report overall poorer health and increased depressive symptoms. Yet, among mothers who return to work 28 percent do so within 2 months and 41 percent within 3 months.\textsuperscript{7} Extensive research demonstrates the value of paid leave policies to family economic security and improved child outcomes.\textsuperscript{8} Further, workers with irregular schedules report increased levels of work–family conflict and struggle to access quality child care.\textsuperscript{9} Public policy initiatives to improve job quality are gaining traction at the state and local level, but a major impact on child poverty requires action at a national scale. Legislation already proposed in Congress would provide these crucial improvements: the FAMILY Act, the Healthy Families Act, the Raise the Wage Act, and the Schedules that Work Act.

2. **Ensure access for youth and young adults—particularly youth and young adults of color—to postsecondary pathways that lead to economic security, both before and after they become parents.** Young adults are today the next poorest group after children, and young adults who are also parents the poorest among them. Fully 1 in 4 parents ages 18-29 is poor, rising to 30 percent for those under age 25. More than 80 percent of poor parents under age 30 have a child under age 6, suggesting particular vulnerability for young adults raising young children—yet also suggesting an important opportunity for policy interventions to improve outcomes for both generations.

Many causes contribute to high levels of poverty for young adults in their 20s, particularly young adults of color. These 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. Further, some research suggests that young workers are concentrated in jobs of the lowest quality even when they are employed.\textsuperscript{10}

But another cause requires a special policy focus. For young people who grow up poor or low-income, the pathway to a more secure economic future now requires a postsecondary credential—yet the door to postsecondary education is too often closed precisely because of their low incomes. On the one hand, 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,\textsuperscript{11} over 95 percent of new job growth went to individuals with a postsecondary credential. Yet when low-income adults, including young adults and especially parents, respond to this labor market demand for increased credentials, they face significant barriers to completing college. As 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—they are too often trapped by the rising costs of postsecondary education, combined with the lack of comprehensive supports.\textsuperscript{12} As a result, they struggle while at school to pay for basic living expenses for themselves and their families, including housing, food, transportation, and child care; face large unmet financial need (gap between their own financial capacity and the full cost of education after applying all student aid for which they qualify); and are forced to balance school, child-rearing, and work in jobs that offer few accommodations for students.\textsuperscript{13}
Yet reducing child poverty 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. Therefore, the policy agenda should include comprehensive financial aid that places the urgent needs of the lowest-income students front and center. Specifically:

- **Federal investment in 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 below).** 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.

- **Core federal investments sustained and strengthened, including Pell, federal work-study, and targeted grants to states.** Not going backward on this agenda—and therefore on child poverty—requires defeating current budget proposals that would reduce federal investment in low-income college students.

### 3. Invest in affordable, high-quality child care for all low-income young children.

Even if the jobs are available, parents too often can’t afford to take them without help paying for child care. Even though workforce participation rates have skyrocketed among mothers of very young children U.S. policy has failed to keep pace and has even gone backward. The major federal-state child care assistance program (Child Care and Development Block Grant or CCDBG) helps a smaller share of eligible children today than in its 17-year history. Child care assistance reaches fewer than one in six eligible children. Moreover, insufficient federal funding, coupled with restrictive state policy choices, contributes to disparities in access to child care by race and ethnicity, particularly for Latino families with far less access. CCDBG reaches 13 percent of all eligible children, and 21 percent of eligible Black children, but only 8 percent of eligible Latino children get help through CCDBG.

These gaps in access to educational opportunities contribute not only to high levels of child poverty but also to growing inequality, because well-off parents are increasing their investment in out-of-home care for young children. While higher-income households provide their children with two or more years of formal early childhood education outside of the home, children in lower- and even middle-income households receive a year, at most.

Research shows several pathways by which access to child care assistance improves family income. It is linked to improved employment outcomes for parents, including a greater likelihood of being employed and 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. In addition, decades of research show that access to high-quality child care and early education experiences benefits all children, particularly low-income children—a crucial advantage of investment even if the direct effects on poverty will take longer than 10 years.
Finally, child care subsidies make higher-quality programs more affordable for low-income families. Thus, 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 in both the short- and long-term.

Therefore, the policy agenda to reduce child poverty must include a significant and bold increased investment in child care and early education. Specifically:

- **A major federal expansion of child care subsidies to reach all low-income families.** One thoughtful recent proposal—which includes a detailed review of the research along with policy proposals, and budget estimates—suggests that about $13 billion in new federal and state investments on child care subsidies for low-income children below the age of school entry, plus around $30 billion to expand state preschool programs to all 3- and 4-year-olds, would be sufficient to reach all low-income families with young children and improve quality (assuming a national paid leave program that would allow all parents with very young children to stay home for 12-16 weeks). From the perspective of what parents need to work, however, the proposal would need to be bigger: the young-child focus of this proposal does not include the resources needed to support care for school-age children after school and in the summer.

- **Expansion of federal and state resources to support preschool programs, Head Start, and Early Head Start.** While the committee’s charge suggests that the long-run effects of these programs on reducing child poverty after the 10-year window are outside its area of interest, it’s important to note that they also help parents work—and that if they are not protected and expanded, the costs of child care go up correspondingly.

4. **Protect the core safety net programs that have reduced child poverty directly (including the EITC, CTC, SNAP, and disability programs) and indirectly (health insurance, housing subsidies) and expand them to fill crucial gaps.** In 2015, America’s major safety net programs substantially reduced child poverty and increased health insurance coverage for children and their parents to record levels. Refundable tax credits (the Earned Income Tax Credit or EITC and the Child Tax Credit or CTC) reduced child poverty by 6.5 percentage points or 4.8 million children, according to the Census Bureau, and the Supplemental Nutrition Assistance Program (SNAP) by 2.7 percent. The Census report also indicates that child poverty would have been almost 2.5 percentage points higher without Social Security and almost 1 percentage point higher without Supplemental Security Insurance (SSI). Medicaid and the Children’s Health Insurance Program (CHIP) together now provide health coverage to about half of all children and have made possible record levels of coverage for children and for parents. In addition to the expanding research base that shows the long-run benefits for children’s adult health and economic success of health coverage (and nutrition assistance) in the early years, research continues to mount about more immediate-term effects on economic security in childhood, since health insurance through Medicaid enables low-income parents to work more steadily and avoid destabilizing medical bills.

Yet many of these core safety net programs crucial to reducing child poverty—Medicaid, SNAP, CTC, SSI for disabled parents and children—are under attack in the President’s and Congressional budget
proposals this year. Should these attacks succeed, millions of children could fall into poverty as families lose SNAP benefits, disability benefits, income support through the CTC, and Medicaid coverage that allows parents to work.

In addition, three gaps in today’s safety net need to be plugged to cut child poverty further. First, families with the lowest incomes, including those with very few work hours—often due to health or mental health conditions, or other barriers—are not well-served. They do not receive the full benefit of the EITC or the CTC, and the collapse in most states of the Temporary Assistance for Needy Families (TANF) program (which lifted just 0.2 percent of poor families out of poverty in 2015) leaves far too many children in deep poverty. Second, in contrast to the most effective safety net programs for children, such as SNAP and the tax credits that are all characterized by national policy and federal funding, the rest of the safety net depends on major state investments—which has resulted in enormous discrepancies in support depending on the state in which a child lives. As the distribution of children in the U.S. changes, the consequences of this disparity are increasingly dire, with children in states like Florida and Texas that have large and growing poor child populations particularly disadvantaged. Third, because of a capped federal financing structure like that described earlier for child care, today’s safety net offers completely inadequate support for families’ housing costs. The consequences include economic instability for families as well as deep developmental harm for children, especially the most vulnerable younger children.

Reducing child poverty therefore must include an aggressive agenda to defend against the shredding of the safety net and to fill gaps, including:

- **Maintenance of the entitlement, federal funding structure, and eligibility in the key safety net programs including SNAP, Medicaid, SSI and Social Security Disability, the EITC, and the CTC.** Threats to the core structure may be couched in the language of block grants, flexibility, or “per capita caps,” but the evidence about capped federal funding in programs such as TANF, the Social Services Block Grant, and CCDBG illustrates that it becomes a means to ratchet back coverage. As the Congressional Budget Office illustrated in estimating that the Medicaid caps in the Senate’s proposed ACA repeal would lead to the loss of coverage by 15 million people, these changes can easily affect millions of people—particularly children, whose families depend so heavily on these core supports.

- **A major federal investment in assistance to families with the least resources, whether through a refundable CTC or a child allowance.** Strengthening TANF by creating a federal floor with additional federal resources and reformed state incentives could be another component of this strategy. The CTC and/or child allowance components must be available to the children of immigrants no matter what their status for this strategy to have its intended effect on child poverty, as noted below.

- **Stronger federal funding and accountability to reduce state discrepancies.** For example, a next step after defending the Medicaid expansion in the ACA would be policy and financing proposals to promote expansion in every state—given the evidence of economic benefits of insurance and much sharper reductions in uninsured in states that took the expansion. A concrete proposal
could be to give newly expanding states three years of 100 percent federal funding just as the original expansion states did.

- **Expanded housing assistance to reach far more low-income families.** The Center on Budget and Policy Priorities report *Rental Assistance to Families with Children at the Lowest Point in a Decade*, documents the serious gap between family income and housing along with its serious consequences for children’s development and family stability (which in turn affects work stability and earnings) and provides recommendations for expanding access to housing assistance for low-income families.29

5. **Tear down the systemic barriers based on race, language, and immigration status that devastate economic security for children of color, children of immigrants, and their families.** Targeting these barriers directly and explicitly is essential to cutting child poverty because of the large share of all children who are children of color, their disproportionate vulnerability to poverty, and the extensive research on specific systemic obstacles that they face to family economic security. In the United States today, fully half of the youngest children are children of color, and they will be the majority of all children by the 2020.30 Children of immigrants comprise one quarter of all children in the U.S. and one-third of low-income children.31 Thus, no strategy to dent high child poverty rates can succeed without them.

Unfortunately, children of color start life with far less access to economic security than White children. Despite some improvement in the disparity in 2015, about one third of Black children and about 3 in 10 Hispanic children live in poverty—even though more than two-thirds of poor Black and Hispanic children live 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.32 Many researchers and policy experts, including CLASP, have documented the systemic failures in public policy and the broader economy and labor market that help to explain the disproportionate levels of poverty among children of color—including reduced access for both children and their parents to basic services and opportunities such as health insurance, quality child care, K-12 education, and postsecondary education, higher exposure to trauma and stress, including racism and violence, and the far-reaching consequences of bias in the criminal justice system and the labor market.33, 34,35,36

Today, rather than policies to reduce the disparity, these families are under attack from policies likely to make it far worse, with the risk of sky-rocketing child poverty rates if families’ access to steady work and to core safety net programs continues to erode. In particular, evidence from the past several months suggests that the fear of deportation along with threatened changes to laws and guidance have already had a significant chilling effect on access by children of immigrants, including citizen children, to core safety net and anti-poverty programs, including SNAP, other nutrition programs, and health care. For example, the National WIC Association found that since the beginning of President Trump’s Administration, about a quarter of its local agencies providing nutritional assistance to pregnant women, mothers, and babies under the Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC) reported that their undocumented clients were forgoing benefits, including on behalf of citizen children.37, 38 We do not have survey data currently about the safety net programs specifically included by the Census Bureau in their SPM estimates of poverty, but advocates and agency heads report similar experiences for SNAP; CLASP
and others are working to collect more systematic information. At the same time, children of color and their families are facing a shift in course by the Justice Department to return to discredited “law and order” policing strategies and shut down its support for alternatives, also likely to lead to increased child poverty if not overturned.

Top priorities for reducing child poverty among children of color include the following:

- **Restoration and expansion of immigrants’ and their children’s full access to the core safety net programs that reduce child poverty and promote children’s health, nutrition, and development.** This means reversing the climate of fear that is reportedly now causing families to unenroll eligible citizen children from nutrition assistance and health care and rejecting new proposals that would restrict immigrants and their families from accessing benefits or place additional hurdles in their way. It also means that any new anti-poverty proposals, such as a universal child allowance or refundable CTC, need to be available to all children, including those whose parents pay taxes with an Individual Taxpayer Identification Number (ITIN) rather than a Social Security Number. Failing to do so will sabotage the goal of cutting child poverty in half by excluding millions of vulnerable children, the vast majority of them citizens.\(^{39}\)

- **Improvements to the safety net that remove barriers to access by children and adults of color more broadly, including the state discrepancies described above.** As noted, protecting the ACA’s Medicaid expansion and spreading it to all states is one example, because adults of color (both parents and young adults likely to become parents) are disproportionately harmed by today’s state option arrangement. As the Urban Institute has recently documented, the evidence from the TANF block grant suggests that racially disparate outcomes are a likely result of policies like block grants that create more state discretion in the context of capped federal funding.\(^{40}\)

- **Federal investment in and commitment to an integrated approach to the policy reforms described above so that they tear down barriers for young adults of color—the parents of many children in poverty—to good jobs and economic stability.** As suggested, key steps include the creation of subsidized jobs paired with entry ramps and career paths; large-scale expansion—not restriction—of criminal justice reforms that end mass incarceration and (through “ban the box” and other strategies) the collateral consequences of incarceration; and a major investment in financial access to postsecondary credentials that is specifically targeted at tearing down barriers related to race, in particular students’ lack of financial resources for college access and completion.

**Conclusion.** I very much appreciate the opportunity to lay out this set of bold policy proposals to cut child poverty in half. As the committee continues its work, we would also like to recommend two process steps: First, the committee should schedule a hearing specifically directed at learning from leaders and advocates deeply knowledgeable about families of color and immigrant families, given the central—and soon, majority—place those families hold in America’s next generation and the longstanding and often devastating barriers they face. Second, the committee should track policy actions over the coming months that could potentially increase, rather than decrease, child poverty—in order to call attention to them and make appropriate recommendations in its report.
Please feel free to reach out to me or my colleagues at CLASP for any additional information we can offer. Thank you so much for the opportunity to testify.


6 CLASP, Integrated Education and Training: Model Programs for Building Career Pathways; and Hall, Subsidized Employment.


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


Reform the HEA.


28 Gehr, et.al. The Evidence Builds.


CLASP is undertaking a research project through interviews with early childhood program administrators and stakeholders to document the impact of recent anti-immigrant policies on young children in immigrant families.
