



Reducing Child Poverty: What Does it Take?

Nancy K. Cauthen, Ph.D.
Deputy Director

Mayor's Summit on Children • Springfield, MO • April 3, 2007

National Center for Children in Poverty

Who We Are

- ❖ NCCP is a non-partisan, public interest research organization at Columbia University's Mailman School of Public Health.
- ❖ NCCP uses research to promote the economic security, health, and well-being of America's low-income children and families.
- ❖ Our ultimate goal: Improved outcomes for the next generation.

Reducing Child Poverty

Overview of Today's Presentation

- ❖ What it means to be “poor,” i.e., low income?
- ❖ Facts and statistics about low-income children and families
- ❖ What can be done: What the research tells us

What it Means to be “Poor”

Official Poverty Measure is Outdated

- ❖ It is inadequate in absolute terms:
 - ◆ \$20,650 for a family of 4
 - ◆ \$17,170 for a family of 3
- ❖ Measure was originally based on the assumption that families spend a third of their incomes on food.
- ❖ But housing and child care are now the biggest expenditures; food is typically 10% or less of a low-income family’s budget.

What it Means to be “Poor”

Chicago, IL: Single-Parent Family of 3

Basic Needs Budget

Rent and Utilities	\$10,812
Food	\$5,302
Child Care	\$9,924
Health Insurance	\$2,212
Transportation	\$900
Other Necessities	\$4,351
Payroll and Income Taxes	\$2,459
TOTAL	\$35,960
= Hourly Wage (@40 hours/week, 52 weeks/year)	\$17/hour

What it Means to be “Poor”

Low Income is a Better Proxy for Need

- ❖ Research shows that it takes, on average, an income of about twice the FPL to cover basic family expenses.
 - ◆ \$41,300 for a family of 4
 - ◆ \$34,340 for a family of 3
- ❖ But we know that many families get by on incomes of far less -- how do they do it?

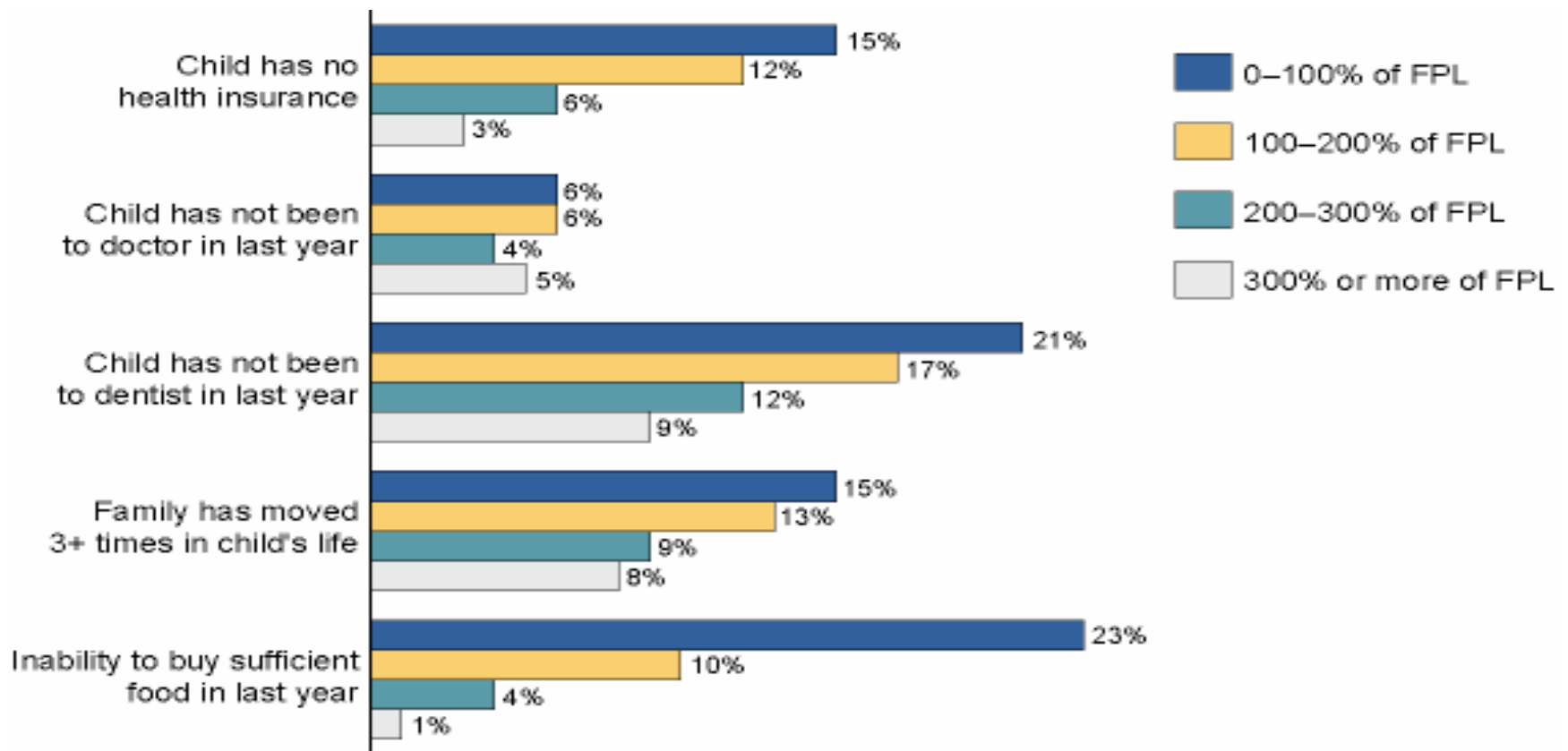
What it Means to be “Poor”

Low-income Families Face Tough Choices

- ❖ When families have to get by on less than an adequate amount, they may:
 - ◆ Choose cheaper but less safe or less stable child care
 - ◆ Go without health insurance or needed medical care
 - ◆ Live in an unsafe neighborhood or in overcrowded housing
 - ◆ Go hungry at the end of the month
 - ◆ Accumulate debt that threatens their financial future
 - ◆ Give up in despair

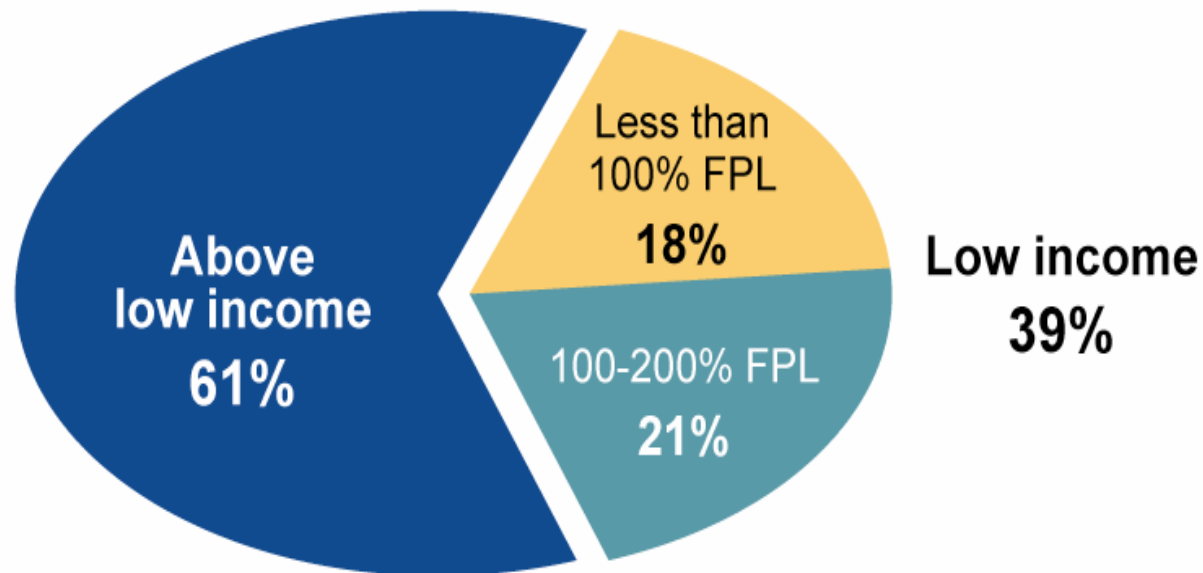
What it Means to be “Poor”

Experiences of Hardship by Income Level



Low-Income Children & Families

Children by family income, 2005



Source: *Basic Facts About Low-Income Children: Birth to Age 18*. (2006). National Center for Children in Poverty at the Mailman School of Public Health, Columbia University.

Low-Income Children & Families

Trends in Missouri

- ❖ Official child poverty in Missouri has followed national trends, declining in the late 90s...
 - ◆ MO: 19% child poverty in 95 → 15% in 2000
 - ◆ US: 21% child poverty in 95 → 16% in 2000

- ❖ ... but increasing since then.
 - ◆ MO: 15% child poverty in 2000 → 17% in 05
 - ◆ US: 16% child poverty in 2000 → 18% in 05

Low-Income Children & Families

Trends in Missouri

- ❖ The same holds true for low-income rates.

% of children living in low-income families	1995	2000	2005
Missouri	43%	32%	37%
U.S.	43%	37%	39%

Low-Income Children & Families

Low-income Children Have Working Parents

- ❖ 51% of low-income children in MO have a parent who works full-time, year round (US: 55%).
- ❖ Another 34% have a parent who works part-time or part-year (US: 26%).
- ❖ But they work in low-wage jobs that typically offer few benefits (such as health insurance, paid sick leave), little stability, and few opportunities for advancement.

Low-Income Children & Families

A High School Diploma is Not Enough

- ❖ 76% of Missouri children whose parents have not completed high school are low income (US: 82%).
- ❖ 55% of Missouri children whose parents have only a high school diploma are low income (US: 56%).
- ❖ Yet we know that maternal education is the single largest predictor of children's school achievement.

Low-Income Children & Families

How Low Incomes Hold Children Back

- ❖ Low family income can impede children's cognitive development and the ability to learn.
- ❖ It can also contribute to poor health, as well as social, emotional, and behavioral problems.
- ❖ Low-income parents are more stressed and have fewer resources—emotional, educational, and financial—to provide their children.

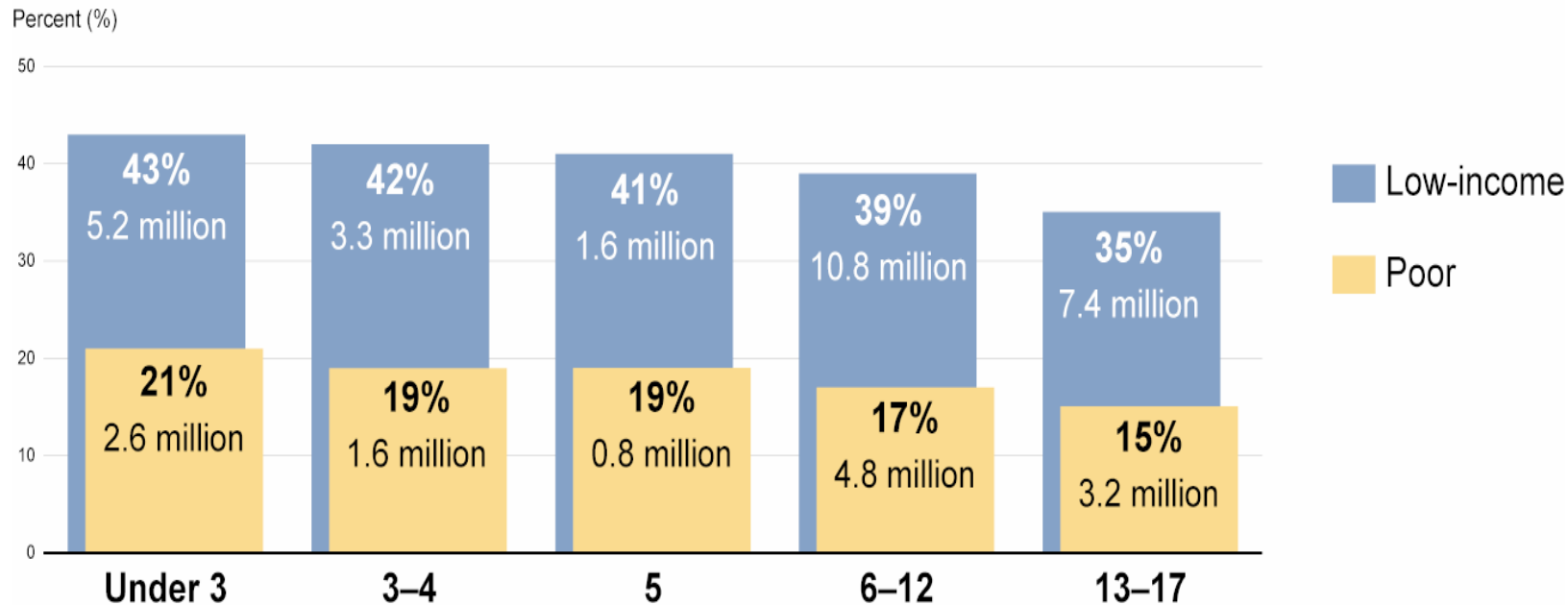
Low-Income Children & Families

The Risks for Young Children

- ❖ The younger the children, the more likely they are to live in poor or low-income families.
- ❖ Nationally, 43% of children under age 6 are low-income, compared to 35% of teenagers.
- ❖ The younger the children, the more harmful poverty is to developmental outcomes, and therefore, to school performance.

Low-Income Children & Families

Children living in low-income and poor families, by age group, 2005



Source: *Basic Facts About Low-Income Children: Birth to Age 18*. (2006). National Center for Children in Poverty at the Mailman School of Public Health, Columbia University.

Low-Income Children & Families

The Risks for Young Children (cont)

- ❖ Many low-income young children enter school without the language, social, and emotional skills to succeed.
- ❖ The skills they do have are often unrecognized.
- ❖ Estimates are that between one quarter and one-third of infants, toddlers, and preschoolers are at risk of early school failure.

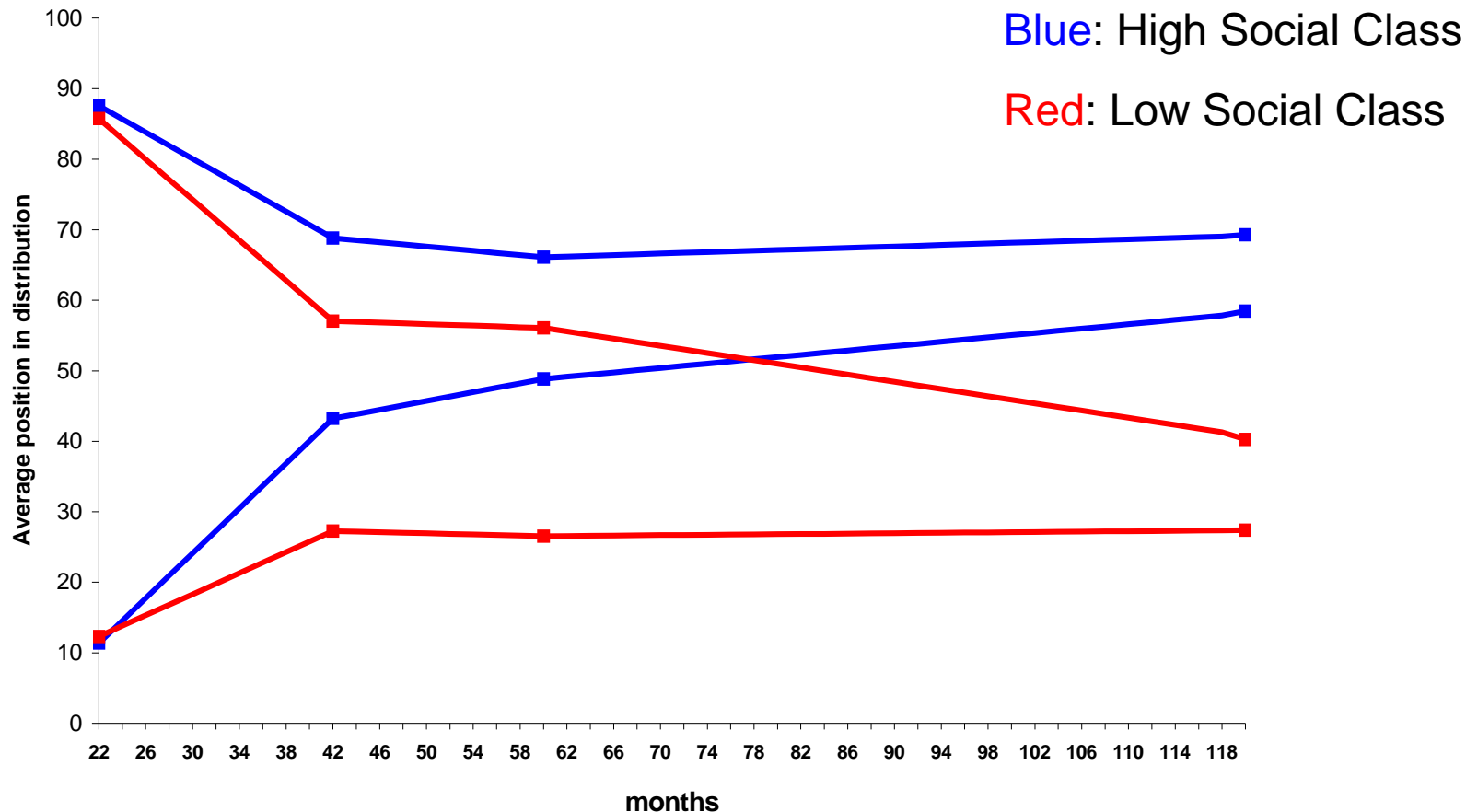
Low-Income Children & Families

The Risks for Young Children (cont)

- ❖ At age 4, children who live below the poverty line are 18 months below the developmental norm for their age, and by age 10, the gap is still present.
- ❖ By third grade, children with well-educated parents know 12,000 words -- 3 times as many as the children of less-educated parents.
- ❖ Early school failure is highly correlated with later school failure.

Low-Income Children & Families

Change in Test Scores by Social Class, 22 mo - 10 yrs



What Can Be Done

What the Research Tells Us

- ❖ From experimental welfare programs, we know that:
 - ◆ Programs that *increase family income* consistently improve school achievement among elementary school-age children.
 - ◆ Programs that increase employment *without increasing income* have shown few consistent effects on children.
 - ◆ When programs *reduce income*, children are sometimes adversely affected.

What Can Be Done

What the Research Tells Us

- ❖ Other research shows:
 - ◆ Links between increased family income and improved school readiness in young children.
 - ◆ Links between increased family income and reductions in acting out disorders in low-income children and youth.
 - ◆ Links between stable and predictable family income over time and positive outcomes for children.

What Can Be Done

What the Research Tells Us

- ❖ In short, increasing the incomes of low-income families—without any other changes—can positively affect child development, especially for younger children.
 - ◆ Money allows parents to invest in material resources and enrichment activities that promote learning.
 - ◆ Parents with more money are less likely to be stressed and depressed—both of which are linked to poor social and emotional outcomes for children.

What Can Be Done

Policy Implications

1. Change the policy conversation.
2. Make work pay
3. Support parenting, not just work.
4. Ensure access to quality early care and learning opportunities.

What Can Be Done

Change the Policy Conversation

- ❖ Policy discussions about children and poverty tend to focus only on the *symptoms* of poverty—low educational achievement, social and behavioral problems, and poor health.
- ❖ Yet poverty itself is the single biggest threat to healthy child development.
- ❖ Improving child outcomes requires explicit attention to lifting families up economically.

What Can Be Done

Make Work Pay

- ❖ Increase the minimum wage, which MO has done.
- ❖ Enact a state earned income tax credit -- the purpose is to help make work pay for those working for poverty-level wages.
- ❖ Provide child care subsidies, health insurance, and food stamps as a way to support work.

What Can Be Done

Support Parenting, Not Just Work

- ❖ Barriers to employment--low education, poor work history, domestic violence, substance abuse, and mental health problems--are also barriers to effective parenting.
- ❖ For the highest risk families and children, welfare programs need to focus on children's need for nurturing parenting, not just getting parents into employment.

What Can Be Done

Ensure Access to Quality Early Care and Learning Opportunities

- ❖ Research is clear that for the highest risk children, we must invest early -- starting at age 4 is too late.
- ❖ Early Head Start, for children birth to age 3, focuses on children and their parents.
- ❖ Investments in high quality early care and learning have a proven track record.