



ENDING CHILD POVERTY NOW

THE PROBLEM: CHILD POVERTY IN AMERICA

Ayriq Sims has overcome great odds. The recent high school senior from Cincinnati,



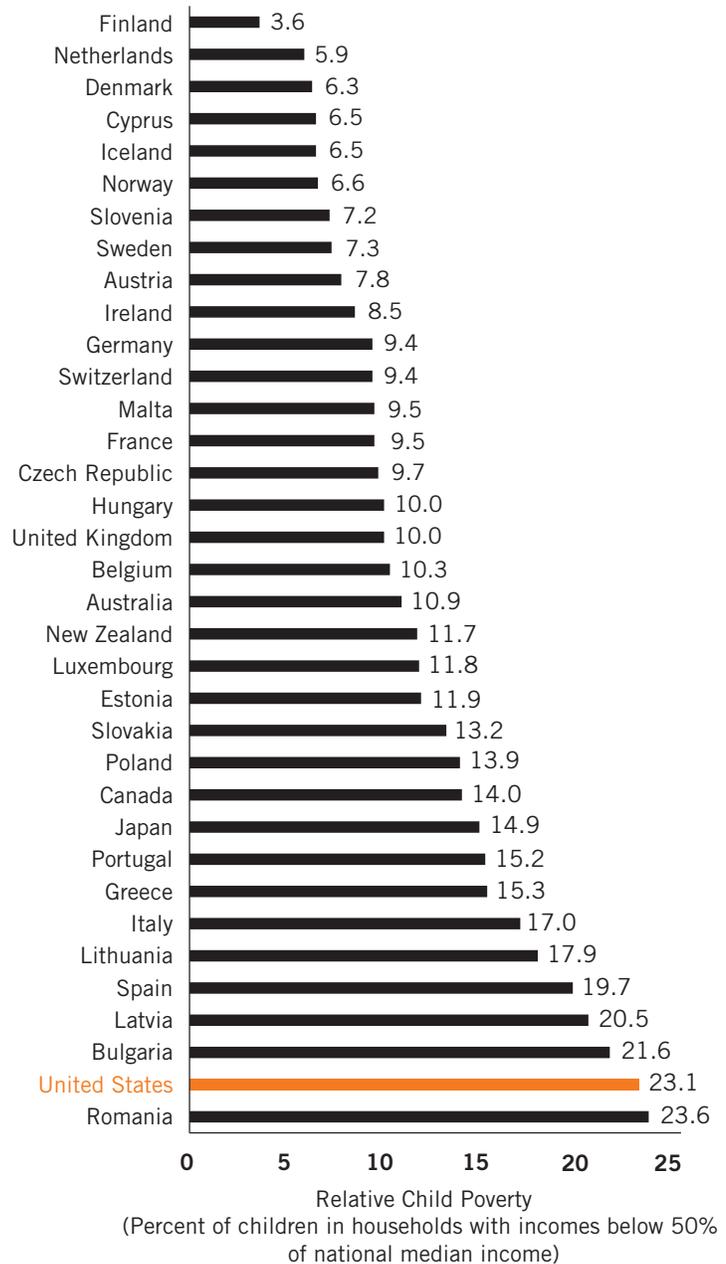
Ohio has been homeless multiple times, has gone without eating so his younger siblings could eat and has had to face responsibilities and challenges that no child

anywhere should face, least of all in the richest world superpower.

Despite these challenges, Ayriq has graduated from high school and will be attending The Ohio State University this fall on a full scholarship. Ayriq has beaten the odds. But so many children growing up in poverty like Ayriq do not.

Too many U.S. children have to face challenges like hunger, homelessness, instability and toxic stress. Every fifth U.S. child lives below the poverty line — in families trying to make do on less than \$8 a person a day before most government safety net supports are counted. Even after government benefits, the U.S. has the second highest child poverty rate among 35 advanced economies.

U.S. Ranks Second to Last in Child Poverty



POVERTY HARMS CHILDREN

Being exposed to poverty in childhood has lifelong negative consequences. It impairs cognitive, emotional, social and physical development from the earliest years. It increases the risk for developmental delays, poor school performance and behavioral issues. Poor children are less likely to graduate from high school, and more likely to be unemployed, earn less as adults and become involved in the criminal justice system. Poverty also compromises children's physical health, increasing the risk for asthma, obesity, diabetes and a host of other health complications. It increases hunger and homelessness.



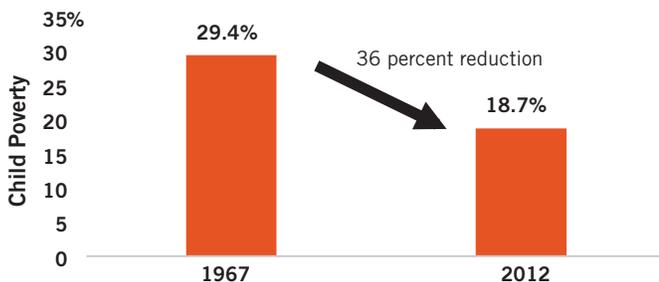
POVERTY HURTS OUR NATION'S ECONOMIC STABILITY

The nation's high rate of child poverty costs at least **\$500 BILLION** a year in lost productivity, and extra health and crime costs.

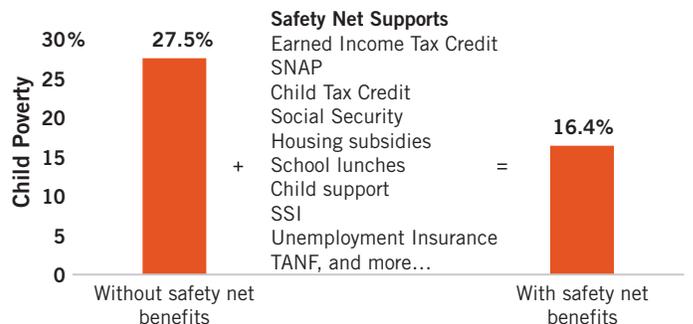
But it doesn't have to be this way.

WE CAN REDUCE CHILD POVERTY

Since 1967, the nation has reduced child poverty by 36 percent, if you take into account the totality of government supports for families.



In 2013, federal safety net programs cut child poverty by 40 percent, providing supports that lifted 8.2 million children's families above the poverty line.

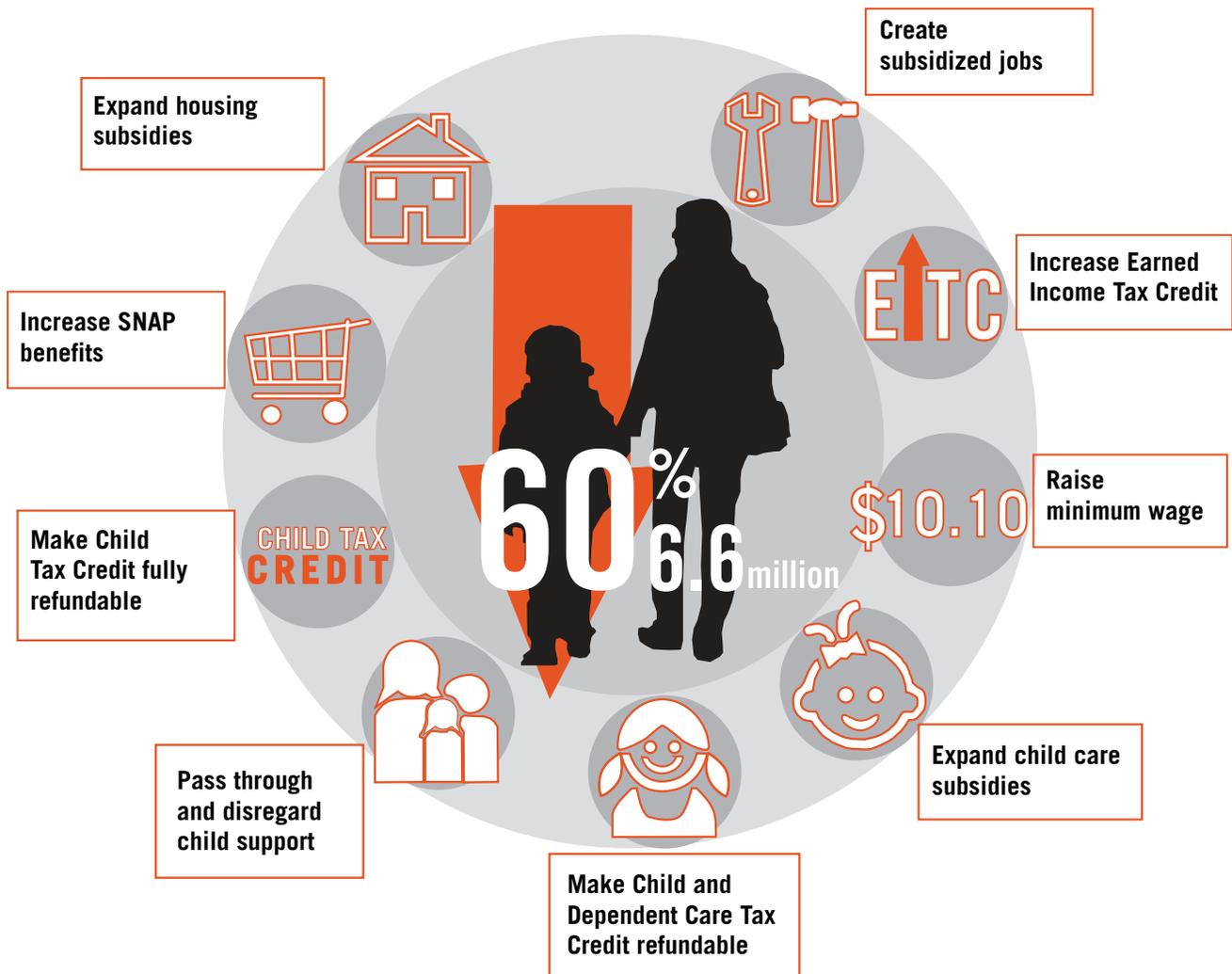


WE CAN DO MORE

What would happen if we invested more in policies and programs that work?

The answer: If the nation invested an additional 2 percent of the federal budget in policies and programs that work, we could cut child poverty by 60 percent, lifting 6.6 million children above the poverty line and improving their odds of succeeding in school and in life.

HOW TO REDUCE CHILD POVERTY BY 60 PERCENT



NINE POLICIES AND PROGRAMS TO REDUCE CHILD POVERTY BY 60 PERCENT

Work and Making Work Pay More

The best antidote to poverty is a good job. These five policy improvements would increase employment in families with children and make work pay more to enable families to work their way out of poverty:



Provide subsidized jobs – Publicly funded subsidized jobs are effective for providing income and building skills among the unemployed and underemployed. During the recession, subsidized jobs programs increased employment and income even after participation ended and benefited the long-term unemployed the most.



Raise the minimum wage to \$10.10 or higher – A parent with two children working full time at the current federal minimum wage (\$7.25 an hour) earns \$4,700 below the poverty level. Thirty percent of poor children in America live with an adult who works full-time year-round.



Increase the EITC for the lowest income families – The Earned Income Tax Credit (EITC), a refundable tax credit that rewards work for low-income working families, is one of the nation's most effective tools for reducing child poverty, keeping 3.2 million children out of poverty in 2013.



Expand child care subsidies to all eligible families – To work, parents need access to affordable high-quality child care. To assist low-income families with child care costs, the federal government and states provide child care subsidies to families with children under age 13. Because of limited funding, fewer than 1 in 5 eligible children benefit from child care subsidies.



Make the Child and Dependent Care Tax Credit refundable and increase its value – The Child and Dependent Care Tax Credit (CDCTC) is a nonrefundable tax credit that reimburses families for a portion of their child or dependent care expenses. Because the CDCTC is nonrefundable, families with low earnings and no tax liability cannot benefit from it.

Ensuring Children's Basic Needs are Met

Child poverty harms children for life. When families aren't able to make ends meet, these four policy changes will help ensure children's basic needs are met so they don't suffer negative long term consequences.



Increase SNAP benefits by about 30 percent – The Supplemental Nutrition Assistance Program (SNAP) helped combat hunger among 20.5 million children in fiscal year 2012, over a quarter of all children in the nation, and kept 2.1 million children from poverty in 2013. However, at \$1.40 per person per meal, SNAP benefits are not large enough to ensure children aren't hungry.



Expand housing subsidies to all eligible families – Housing is the single largest expense for most families and is growing increasingly out of reach. Because of funding limitations, only about one in four eligible families with children receives federal housing assistance.

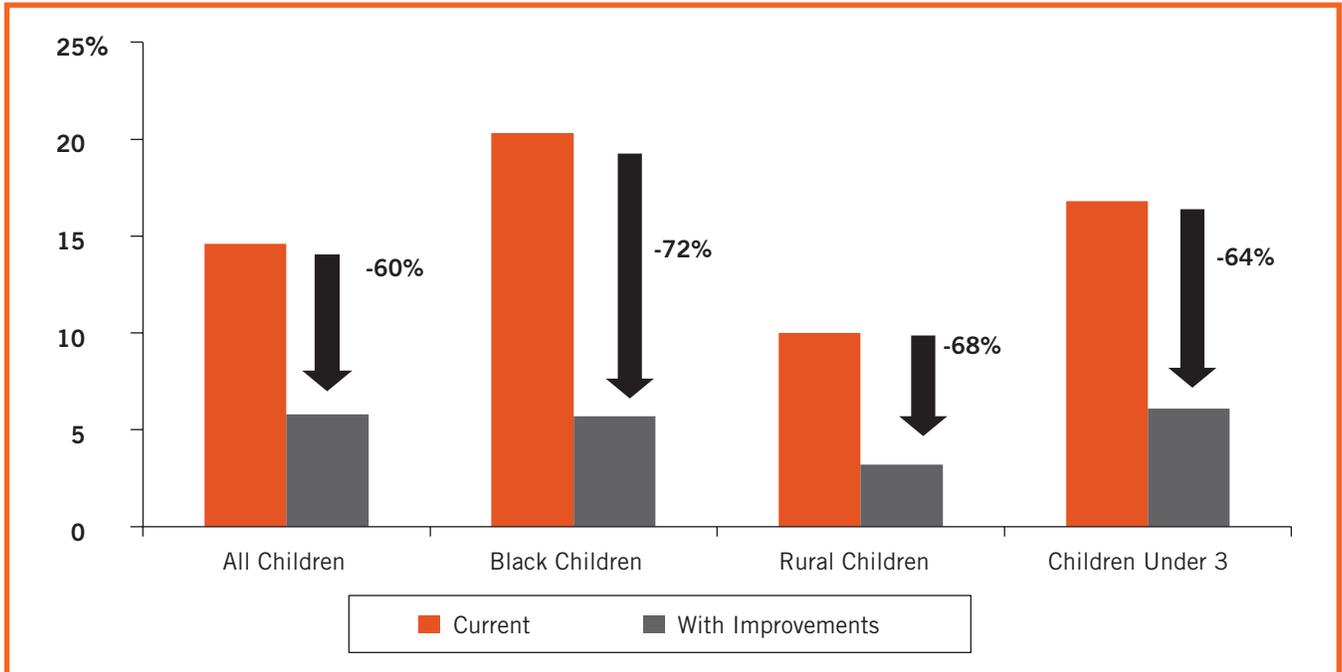


Make the Child Tax Credit fully refundable – The Child Tax Credit (CTC) helps families offset the costs of raising a child by providing families a \$1,000 credit for each child under 17. However, because the credit is only partially and not fully refundable, the poorest families, who need it most, cannot receive the full amount of the credit.

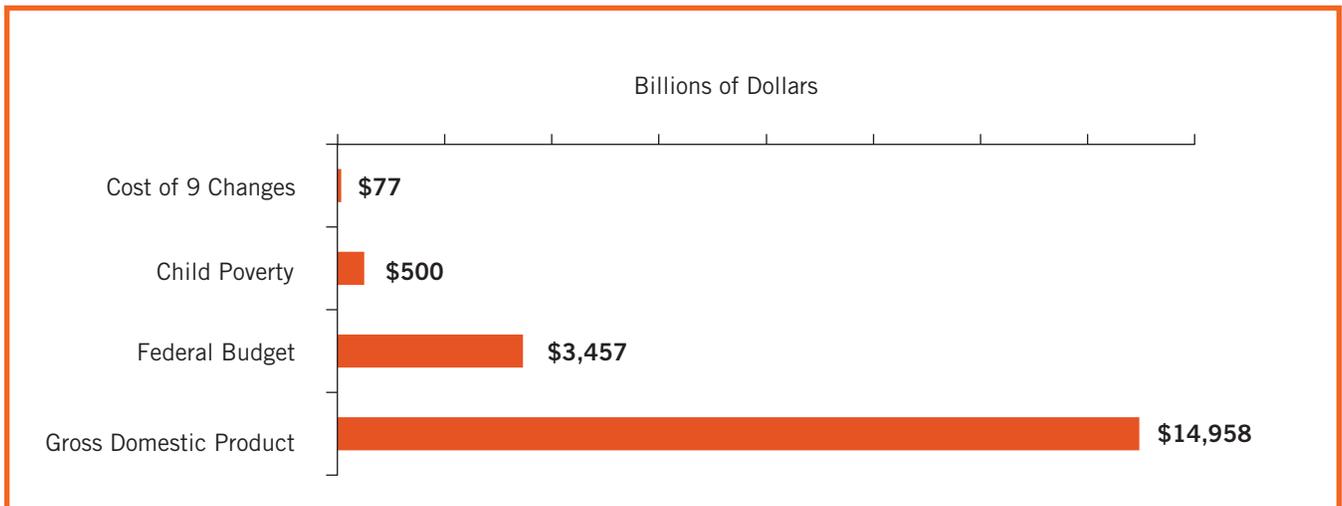


Pass through and disregard child support – For families who receive Temporary Assistance for Needy Families (TANF), the state collects child support from non-custodial parents and keeps most of the payments received to reimburse the cost of assistance. Passing-through to families all child support collected by states, not counting that child support income in the calculation of TANF benefits and not counting up to \$100 of it for SNAP benefit calculations would reduce child poverty.

THESE NINE IMPROVEMENTS WILL REDUCE POVERTY FOR CHILDREN ACROSS THE COUNTRY



OUR NATION CAN AFFORD THESE INVESTMENTS



These nine policy changes would cost just two percent of the federal budget, \$77.2 billion dollars in 2010. We can easily afford to pay for this investment without increasing the federal deficit, for example by:

- Closing tax loopholes that let U.S. corporations avoid \$90 billion in federal income taxes each year by shifting profits to subsidiaries in tax havens; or
- Eliminating tax breaks for capital gains and dividends, saving more than \$84 billion a year; or
- Scrapping the F-35 fighter jet program which is several years behind schedule and 68 percent over budget and still not producing fully functional planes. For the \$1.5 trillion projected costs of this program, the nation could reduce child poverty by 60 percent for 19 years, more than a child's entire childhood; or
- Cutting just 14 percent of the nation's \$578 billion military budget (more than the next 8 highest spending countries *combined*.)



PROTECTING CHILDREN FROM POVERTY HAS LONG-TERM POSITIVE IMPACTS

Not only do these investments help ensure children are fed and housed, research shows that federal safety net supports like the EITC and the Supplemental Nutrition Assistance Program (SNAP) improve birth outcomes, health, test scores, graduation rates, college attendance, and adult earnings.

Reducing child poverty will:

- ✓ Improve educational and life outcomes for children
- ✓ Reduce health, education and criminal justice costs
- ✓ Improve the productivity of the economy
- ✓ Ensure the American Dream exists for poor children

WHAT YOU CAN DO

Read more. Go to www.EndingChildPovertyNow.org to read the full report and familiarize yourself with the facts.

Spread the word. The evidence is clear. We already know how to cut child poverty; we now need to strategically invest more in what is already working.

Urge your elected leaders at all levels of government to make changes that could cut child poverty by 60 percent. Don't forget state and local officials. A number of these policies and programs have state and local counterparts. See CDF's full report for information about your state's policies.

Don't let others tell you the country can't afford to end child poverty. Closing tax loopholes for the rich would pay for these improvements without raising the deficit. And our nation would begin to reduce the half a trillion dollar bill it pays each year for child poverty. **Not only can we afford to end child poverty, we can't afford not to end child poverty.**

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The Children's Defense Fund Leave No Child Behind® mission is to ensure every child a *Healthy Start*, a *Head Start*, a *Fair Start*, a *Safe Start* and a *Moral Start* in life and successful passage to adulthood with the help of caring families and communities.