

September 12, 2017

The Honorable Paul Ryan U.S. House of Representatives Washington, D.C. 20515

The Honorable Chuck Schumer U.S. Senate Washington, D.C. 20510

The Honorable Orrin Hatch U.S. Senate Washington, D.C. 20510 The Honorable Nancy Pelosi U.S. House of Representatives Washington, D.C. 20515

The Honorable Kevin Brady U.S. House of Representatives Washington, D.C. 20515

The Honorable Ron Wyden U.S. Senate Washington, D.C. 20510 The Honorable Mitch McConnell U.S. Senate Washington, D.C. 20510

The Honorable Richard Neal U.S. House of Representatives Washington, D.C. 20515

Dear Speaker Ryan, Minority Leader Pelosi, Majority Leader McConnell, Minority Leader Schumer, Chairman Brady, Ranking Member Neal, Chairman Hatch and Ranking Member Wyden:

We are writing as members of the U.S. Child Poverty Action Group, a broad-based coalition of child-focused organizations dedicated to setting the goal of cutting the U.S. child poverty rate in half within a decade, with some recommended action steps to significantly reduce child poverty.

According to data released today by the U.S. Census Bureau, 18 percent of children in the U.S. were living in poverty in 2016. This means that children continue to disproportionately experience poverty compared to other age groups. They make up 23 percent of the U.S. population, but account for nearly 33 percent of the population living in poverty.

Children of color experience even higher rates of poverty, with 30.8 percent of Black children and 26.6 percent of Hispanic children living in poverty in 2016. It is critically important that efforts to reduce child poverty in this country also confront, reduce and seek to eliminate racial disparities.

Young children also have particularly high rates of poverty, during when they are undergoing critical stages of development. Nearly 20 percent of children under six were living in households below the poverty line.

Poverty is a particularly serious problem for children, who suffer negative effects for the rest of their lives after living in poverty for even a short time. Children in poor families were four times more likely to be in fair or poor health, nine times more likely to experience food insecurity and twice as likely to repeat a grade and drop out of high school.<sup>i</sup>

Beyond the negative consequences of poverty for individual children are the costs that the entire nation pays when children grow up poor – from increased expenditures on criminal justice and healthcare to lost revenue and lower economic output when our nation's youngest citizens lack the support they need. Recent studies show that child poverty costs the U.S. \$672 billion a year or 3.8 percent of GDP.<sup>ii</sup>

The U.S. spends much less of its GDP on benefits for families – less than one percent - compared to other middleand high-income countries. In comparison to 21 other countries, the U.S. ranks second-to-last in its spending on families.<sup>iii</sup> Countries that have invested in their children with policies designed to ensure that every child has their basic needs met also have significantly lower child poverty rates than the U.S. For example, all other Anglo-American countries (Canada, UK, Ireland, Australia) provide some form of universal child or family benefit,<sup>iv</sup> and all have lower child poverty rates than the U.S.<sup>v</sup>

In order to make real progress in reducing child poverty in the U.S., we ask for a commitment from Congress to:

## • Make significant investments in anti-poverty programs that build on what works.

Child development research shows that kids benefit from resources provided at an early age – and that those resources create a long-term positive impact on the child's life, regardless of family socioeconomic status. These resources include, but are not limited to, quality evidence-based home visiting programs, quality early childhood education and child care, proper nutrition, health care coverage, and stable housing.

Everyone–regardless of socioeconomic status–benefits from strategies that lift children out of poverty. Solutions to child poverty are tied to economic gains that result from a strong and educated workforce. For example, a new report describes how when families live in child care deserts, maternal labor force participation rates are three percentage points lower than communities where there is adequate child care supply.

While the child poverty rate remains high in the U.S., we know it would be much higher without effective antipoverty programs. We are very concerned about proposed spending cuts and structural changes to anti-poverty programs that would weaken these programs' ability to lift children out of poverty and support families in achieving long-term financial stability.

Moving forward with these cuts and harmful structural changes is the wrong direction. Instead, we need Congress to commit to further investments in programs and strategies that are effective in supporting children's development and educational attainment as well as supporting parents and caregivers in securing and maintaining quality employment.

## • Establish a national commitment that involves coordinated action on the federal, state and local levels.

The Child Poverty Reduction Act (S. 1630/H.R. 3381) would establish such a commitment by creating a national child poverty target: to cut the U.S. child poverty rate by half within a decade and mandate the federal government to create a plan to meet this target. However, this plan must be developed in consultation with people outside of the federal government, such as state and local officials, independent policy experts, and service providers that work directly with low-income families.

Now is the time to prioritize children living in poverty in the U.S. Please see the U.S. Child Poverty Action Group as a resource as you consider policy reforms to combat child poverty in the U.S. and we look forward to working with you to improve the well-being of our children and youth.

Sincerely,

Alliance for Strong Families and Communities Child Welfare League of America First Focus Campaign for Children InclusionUS Associates National Association for the Education of Young Children National Prevention Science Coalition to Improve Lives Sargent Shriver National Center on Poverty Law Save the Children Action Network Share our Strength UnidosUS (formerly NCLR)

https://www.theatlantic.com/business/archive/2015/09/childcare-spending/407035/

<sup>&</sup>lt;sup>i</sup> Chaudry, Ajay and Wimer, Christopher, Poverty is Not Just an Indicator: The Relationship Between Income, Poverty and Child Well-Being, Child Poverty-Destruction of the Nation's Human Capital, Academic Pediatrics, Volume 16, Number 3S, April 2016, available at: http://www.academicpedsjnl.net/article/S1876-2859(15)00383-6/fulltext.

<sup>&</sup>lt;sup>II</sup> West, Rachel, Boteach, Melissa and Vallas, Rebecca, *Harnessing the Child Tax Credit as a Tool to Invest in the Next Generation*, Center for American Progress, 2015, available at: <a href="https://cdn.americanprogress.org/wp-content/uploads/2015/08/11114756/ChildAllowance-report.pdf">https://cdn.americanprogress.org/wp-content/uploads/2015/08/11114756/ChildAllowance-report.pdf</a>. <sup>III</sup> Khazan, Olga, "Why Being a Poor Kid in America Is Particularly Awful," The Atlantic, September 24, 2015, available at:

<sup>&</sup>lt;sup>\*</sup> Curran, Megan, "Catching Up on the Cost of Raising Children: Creating an American Child Allowance," InclusionUS, *Big Ideas 2015 - Pioneering Change: Innovative Ideas for Children and Families*, First Focus <u>https://firstfocus.org/wp-content/uploads/2015/03/Catching-Up-on-the-Cost-of-Raising-Children.pdf.</u>

<sup>&</sup>lt;sup>v</sup> Organisation for Economic Co-operation and Development (OECD) Social Policy Division - Directorate of Employment, Labour and Social Affairs, Family Database, "Chart CO2.2.A. Child income poverty rates, 2013 or nearest available year," updated August 25, 2016, available at: <a href="http://www.oecd.org/els/soc/CO\_2\_2\_Child\_Poverty.pdf">http://www.oecd.org/els/soc/CO\_2\_2\_Child\_Poverty.pdf</a>.