

CHAPTER 4

CONCLUSION AND RECOMMENDATIONS

The results are clear. For the first time, this report shows how child poverty in the United States could be substantially reduced. By making work pay more, supporting employment for those who can work, and expanding safety net supports to ensure children's basic needs are met, the nation could reduce child poverty by 60 percent — lifting 6.6 million children out of poverty immediately.

Lifting 6.6 million children above poverty for a year and improving circumstances for 97 percent of poor children through the policy changes described in this report would cost \$77.2 billion. That is just 2 percent of the \$3.5 trillion spent by the federal government in 2010 and half of 1 percent of the country's 2010 gross domestic product, a cost our rich nation can well afford. This investment would eventually pay for itself since protecting children against the lifelong consequences of poverty would improve their life incomes and outcomes and reduce child poverty in future generations. The nation would benefit from a larger tax-paying and healthier workforce which would build a stronger economy and gradually reduce the half a trillion dollars our nation spends each year on child poverty.

The U.S. has long been an outlier among high-income countries for its high rates of child poverty. This report shows this is in no way inevitable. By investing more in protecting children from poverty the U.S. could rejoin the ranks of peer nations. Shrinking the U.S. relative child poverty rate by 60 percent would cut child poverty in the U.S. from 23.1 to 9.2 percent, placing the U.S. in line with countries like Germany and Switzerland.¹

Most importantly, lifting 6.6 million children out of poverty would mean children like Christopher Rogers, pictured earlier, could focus on homework rather than on trying to make money to supplement their parents' income. Ensuring children don't go hungry in our rich nation would mean children like Skyler McKee wouldn't have to go without the food they need to be healthy and able to learn. Making sure children have a stable place to live would mean that children like Tristan would not be exposed to the toxic stress of growing up in a homeless shelter. Providing jobs and making work pay more would mean parents like Ana Cohen can do what they most want to do: earn enough through work to care for their children. Ultimately, protecting children from the harms of poverty means ensuring all children have an opportunity to reach their full potential.

Although essential, improving the economic circumstances of poor families with children is not enough. To reduce poverty long-term, children also need access to affordable comprehensive health care, affordable high-quality early development and learning opportunities, high-performing schools and colleges, families and neighborhoods free from violence, and economic opportunities as young adults. Ensuring today's children are protected from poverty is only part of the nation's obligation to its children. But as this report shows, it's a goal the nation can achieve right now with the right investments.

For the first time, this report shows how we could reduce child poverty in the United States by 60 percent.

The nation has a choice. We can continue to let millions of children grow up in poverty, which destroys hope, robs children of their future and fuels an intergenerational cycle of poverty. Or we can make the smart and compassionate choice and ensure children are protected from poverty by investing more in programs and policies we already know work. We can let children's opportunities be determined by the circumstances of their birth or be true to our nation's bedrock principle that all children should have an equal opportunity to succeed.

The right choice is obvious. Our wealthy and powerful nation must commit to ensuring all children have the opportunity to reach their full potential. For the millions of children who are hungry or homeless or hopeless about their future we cannot afford to wait. The future of our children and our nation depends on it.

CDF therefore recommends the following improvements, which together could reduce child poverty by 60 percent and improve economic circumstances for 43.3 million children:

- 1. Increase investments in housing assistance for poor families with children so all eligible families can afford a safe and stable place to raise their children.** In our analysis this expansion alone would reduce child poverty by 21 percent.
- 2. Increase the value of SNAP benefits to cover a larger portion of the nutrition needs of children.** We found that increasing the value of SNAP benefits by 30 percent would decrease child poverty by 16 percent.
- 3. Make the Child Tax Credit fully refundable.** Our analysis found this would reduce child poverty by 12 percent.
- 4. Expand subsidized jobs programs for older teens and adults to meet the demand for jobs.** The best solution to poverty remains a job that pays enough to raise a family. We found that subsidized minimum-wage jobs would reduce child poverty by 11 percent, and by 29 percent among children living with adults who aren't currently working.
- 5. Increase the value of the Earned Income Tax Credit.** Moderately increasing the value of the federal EITC for low-income workers with children would reduce child poverty by 9 percent. While CDF tested an expansion of the federal EITC, expansions of state and local EITCs would likely also help reduce child poverty.
- 6. Raise the minimum wage to \$10.10 or higher.** Raising the federal minimum wage to \$10.10 decreased child poverty by 4 percent, and by 8 percent among children living with a full-time year-round worker. The minimum wage could be increased at the federal, state or local levels.
- 7. Expand access to child care subsidies to all poor and near-poor families.** Such an expansion would reduce child poverty by 3 percent overall. Among families without working adults, it would reduce child poverty by 11 percent by making work possible.
- 8. Make the Child and Dependent Care Tax Credit refundable and increase its value.** This change would reduce child poverty by 1 percent and enable 101,000 parents to work.
- 9. Require a full pass-through and disregard of child support for TANF families, along with a \$100 disregard for SNAP benefit calculation.** These changes would reduce child poverty just under 1 percent and help families fully benefit from child support intended to benefit their children.

What Advocates Can Do to Reduce Child Poverty in Their Communities

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

Educate policymakers at all levels of government about the importance of the changes listed in this chapter. Don't forget state and local officials. Many of these policies and programs have state and local counterparts or can be influenced at the state or local level. See Appendix Table A4 for information about your state's policies.

Don't let people 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 it, we can't afford *not* to do it.

