ENDING
CHILD POVERTY NOW

DEAR LORD
BE GOOD TO ME
THE SEA IS SO
WIDE AND
MY BOAT IS
SO SMALL

**children's
defense fund**
Leave No Child Behind

CDF MISSION STATEMENT

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.

CDF provides a strong, effective and independent voice for all the children of America who cannot vote, lobby or speak for themselves. We pay particular attention to the needs of poor children, children of color and those with disabilities. CDF educates the nation about the needs of children and encourages preventive investments before they get sick, drop out of school, get into trouble or suffer family breakdown.

CDF began in 1973 and is a private, nonprofit organization supported by individual donations, foundation, corporate and government grants.

ACKNOWLEDGEMENTS

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"WE ARE THE POOR, WE ARE THE CHILDREN...!"

FOREWORD

I t is a moral disgrace and profound economic threat that nearly 1 in 5 children are poor in the wealthiest nation on earth. Permitting more than 12.8 million of our children to live in poverty when we have the means to prevent it is unjust and unacceptable. There is no excuse for allowing needless child suffering in our land of tremendous affluence. It is wrong. And it is economically and socially dangerous.

Make no mistake—our nation's economic system and priorities are consciously sacrificing our children. Poverty drains child bodies and spirits. Inadequate nutrition, untreated illnesses, uncorrected vision problems and lead poisoning all sap children's health and energy for learning. Unsafe child care, inferior schools and dangerous neighborhoods kill ambition, self-confidence and hope. Untold human potential is lost when children fall behind in school, drop out or get caught in the criminal justice system. Every year we leave millions of children in poverty costs our nation about $700 billion in lost productivity and increased health and crime costs. Acting to eliminate the terrible human and economic waste of child poverty and the blight on our nation's soul is our urgent task and opportunity.

We can end child poverty if we choose to fight rather than ignore it. We have the money. We have the power. We have the know-how. All of us have the moral, social and economic responsibility. But we lack the will and sense of injustice of enough faith, political, women, parent and media leaders to pierce the profound indifference to preventable and solvable child suffering; the poisonous politics of self-interest and greed; cruel ideological agendas which believe government should help the rich and powerful most and the poor and powerless least or not at all; and the political hypocrisy of leaders across all levels of government and parties who leave millions of children behind while pretending to do otherwise.

Something is awry in our nation when just three of the richest men in America hold more of our nation's wealth than the bottom half of our population of 323 million people; when the members of the Forbes 400 own more wealth than the bottom 64 percent of our nation combined; when the highest paid American CEO took home over $103 million in 2017, more than the combined average annual salaries of 4,360 child care workers or 1,805 elementary school teachers; and when the gap between rich and poor has widened to an historic level not seen since the 1920s. These and other wealthy Americans did not need the $1.9 trillion tax cut the Trump administration and Congress gave them while there are still hungry, homeless, poor, uninsured and poorly educated children in our nation and countless other Americans struggling to make ends meet.

It is way past time for more just national choices to close the gap between our professed principles of equal justice and opportunity. We must change direction, recover a sense of urgency about saving our children, redefine the measure of American success and make sure principles of justice rather than power, money and militarism guide our feet and national priorities. Babies' survival needs should be met before individual and corporate greed.

Many years ago, a clergywoman and dear friend told me she took her car to the Jiffy Lube for service. While waiting, she looked for something to read. Her choices were Field and Stream, Popular Mechanics and a small manual for boaters. When she began thumbing through the manual, she came to a section titled "The Rules of the Open Seas" which described two kinds of vessels—burdened boats and privileged

boats. Burdened boats are like row boats or sail boats. They have no power and are at the mercy of the tide, wind and human effort. Privileged boats have motors and the power to go where they want when they want. When a privileged and burdened boat meet on the open seas, the rule says the privileged boat must give way so that the burdened boat can make it to safe harbor. More than 12.8 million poor children have been left adrift in small boats without survival gear—all to pad the pockets of the privileged and powerful. The rule of the open seas must become our national moral commitment, public policy and funded practice for every child in America.

This report calls for an end to child poverty for all children and shows how we can get started now with a 57 percent reduction immediately. If our leaders could find the courage to increase investments in existing policies and programs that work, we could shrink child poverty 57 percent, Black child poverty 65 percent and improve economic circumstances for 95 percent of all poor children at a cost of $52 billion a year. Our nation can afford it. There are many ways to pay for this down payment on ending preventable, costly and immoral child poverty including:

- Taxing the accumulated wealth of the top 0.1 percent of Americans at a rate of 0.25 percent each year; or
- Restoring the top individual tax rate to 39.6 percent and raising the corporate tax rate from 21 to 25 percent; or
- Eliminating tax breaks for the wealthy by taxing capital gains and dividends at the same rates as wages, saving $130 billion a year; or
- Decreasing 10 percent of our nation's FY2019 $686 billion military budget.

Investments in our most vulnerable children should take precedence over massive welfare for the rich and blatantly excessive military spending.

If we love America and love our children, you and I must build a powerful movement to end child poverty and transform the political and economic priorities in a nation that has ignored the cries of millions of poor children to stack the decks in favor of a few exceedingly rich and powerful billionaires and millionaires. We must envision and realize an America where every child has enough—enough time, attention and stability from parents and other caring adults; and enough quality education, healthy food, stable shelter, accessible health care and other basics we who are more privileged want for our own children. God did not make two classes of children and we do so at our peril. Let us keep our eyes on what children need to grow up healthy and contributing human beings. We must never allow ourselves to be sidetracked by shifting political winds or deterred by the endless stream of excuses attempting to justify indifference to and neglect of children. The great undertaking of saving our children will save America's soul and future in a world desperately in need of moral, political and economic leadership.

Marian Wright Edelman

The Power of Proximity: Making Policy Personal

"I wish the senators would have a chance to go and just look at the empty cupboards in the Delta and the number of people who are going around begging just to feed their children."

In 1967, CDF founder Marian Wright Edelman challenged leaders to confront poverty firsthand, urging U.S. senators to travel with her to the Mississippi Delta and look into the eyes of starving children with bloated bellies—a level of hunger many people did not believe could exist in the richest nation on earth. Fifty years after that transformational tour catalyzed years of positive progress for children, Edelman returned to Mississippi alongside policymakers, doctors, journalists and advocates to reexamine poverty in the region and uplift the voices and needs of poor families.

Testimony from parents like Otibehia Allen illuminated a sobering truth: We can and must do more to end poverty now.

Otibehia Allen is devoted to her children. She sleeps on the couch despite her chronic back pain so her children can have the bedrooms in their rental trailer. She works hard as a data entry clerk and dispatcher at a medical clinic, traveling 15 miles to her job each day. She searches for fresh, nutritious food for her family. But Allen's job pays barely above the minimum wage, money is tight and she must often opt for bulk foods that will stretch and last more than a few days. "My greatest hope for my children is that they see I'm trying to have a better future," she told tour participants through tears.[1] "I try, every day."[2]
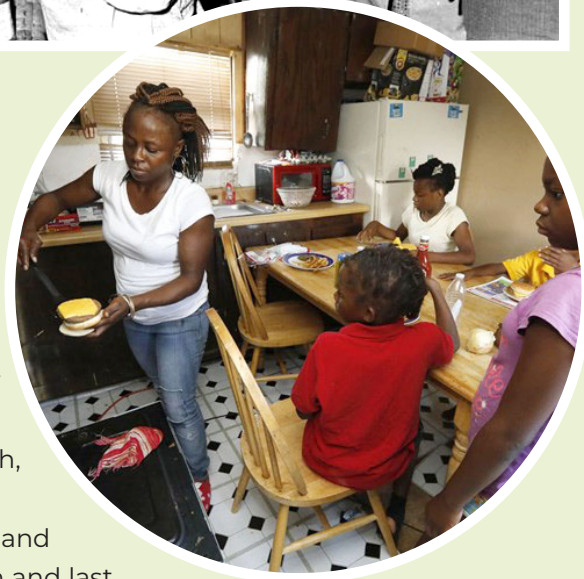
For Allen and her children, safety net programs like the Supplemental Nutrition Assistance Program (SNAP) and Medicaid are more than benefits—they are critical lifelines. Allen reminded participants of the harsh realities facing millions of families who rely upon the safety net to meet their children's basic needs. "If you take these things from us, my children will not survive. Are you telling me you want [us] to die?"[3]

HOW TO LIFT MILLIONS OF CHILDREN OUT OF POVERTY NOW

Expand housing vouchers

Create transitional jobs

Increase SNAP benefits

Increase Earned Income Tax Credit

Make Child Tax Credit fully refundable

57.1%
child poverty reduction

$15 Raise minimum wage

Change child support to benefit more children

Expand child care assistance

Make Child and Dependent Care Tax Credit refundable
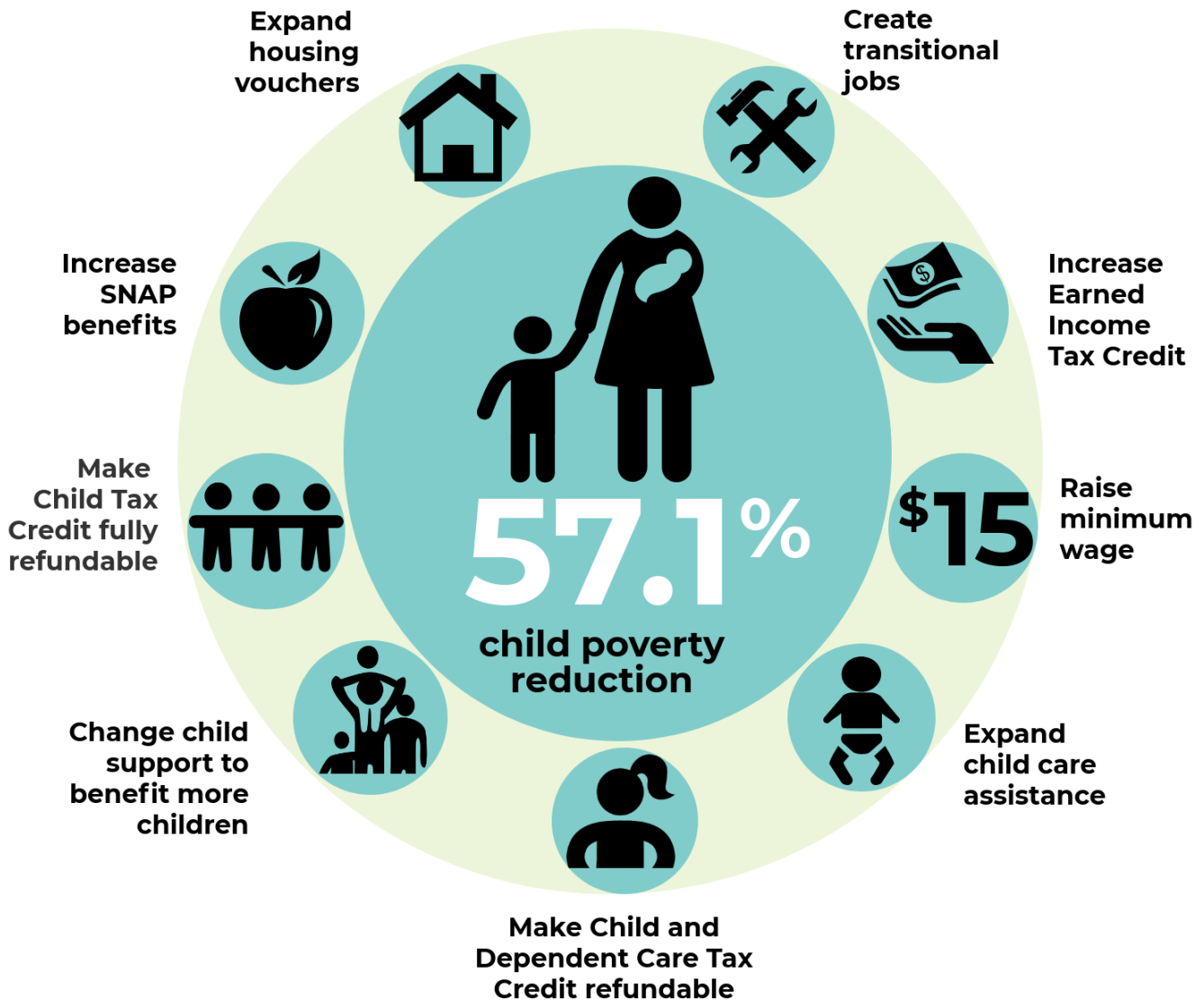
OVERVIEW

No child should have to worry where her next meal will come from or whether she will have a place to sleep each night in the wealthiest nation on earth. Yet more than 12.8 million children in America—about 1 in 5—live in poverty and face these harsh realities every day. More than 2 in 3 poor children are children of color and our youngest children are our poorest. We are failing our children and our nation.

When we let millions of children grow up poor without basic necessities like food, housing and health care, we deny them equal opportunities to succeed in life and rob our nation of their future contributions. Poverty decreases a child's chances of graduating from high school and increases her chances of becoming a poor adult. It makes her more likely to suffer illnesses and get caught in the criminal justice system. Beyond its human costs, child poverty has huge economic costs. Our nation loses about $700 billion a year due to lost productivity and increased health and crime costs stemming from child poverty.

Child poverty is an urgent and preventable crisis. Solutions to child poverty already exist if we just expand and invest in them. Benefits like nutrition assistance, housing vouchers and tax credits helped lift nearly 7 million children out of poverty in 2017, but millions of children were left behind due to inadequate funding, eligibility restrictions and low wages. We can and must fix these problems to help more children escape poverty now.

In 2015, the Children's Defense Fund published our groundbreaking report *Ending Child Poverty Now* that showed, for the first time, how America could immediately lift millions more children out of poverty by simply improving and investing in policies and programs that work. Four years later, we find it unacceptable and unconscionable that our leaders are still debating and our poor children are still waiting. Millions of children have needlessly suffered in poverty because our nation failed to act. How many more years, child lives and taxpayer dollars will we waste before we end child poverty? How many more studies and reports will it take before our leaders acknowledge that we know what to do and can start right now?

This second edition of *Ending Child Poverty Now* updates our earlier study and issues another call for an immediate reduction in child poverty. It confirms, once again, our nation can act now to end child poverty for a majority of children and raise family incomes for millions more. By investing an additional 1.4 percent of our federal budget into existing programs and policies, we can cut child poverty at least 57 percent, lift 5.5 million children out of poverty and help 95 percent of all poor children.

Recognizing the urgent need to help more poor and near-poor children today, CDF identified nine policy improvements that could be enacted immediately to increase employment, make work pay and meet children's basic survival needs for food, housing and child support. CDF then commissioned the Urban Institute to estimate the child poverty impacts and costs of these policy improvements. According to the Urban Institute, these combined improvements could substantially reduce child poverty as measured by the Supplemental Poverty Measure (SPM) which accounts for the impact of government benefits and tax policy on families.

Policy Improvements to Reduce Child Poverty Right Now

Increasing Employment and Making Work Pay More for Adults with Children

- Create transitional jobs for unemployed and underemployed individuals ages 16-64 in families with children.
- Increase the minimum wage from $7.25 to $15.00 by 2024.
- Increase the Earned Income Tax Credit (EITC) for lower-income families with children.
- Make the Child Tax Credit (CTC) fully refundable with additional benefits for families with young children.
- Make child care subsidies available to all eligible families below 150 percent of poverty with no co-pays.
- Make the Child and Dependent Care Tax Credit (CDCTC) refundable with a higher reimbursement rate.

Meeting Children's Basic Needs

- Determine Supplemental Nutrition Assistance Program (SNAP) benefits based on USDA's Low-Cost Food Plan for families with children and increase benefits by 31 percent.
- Make housing vouchers available to all households with children below 150 percent of poverty for whom fair market rent exceeds 50 percent of their income.
- Require child support to be fully passed through to families receiving Temporary Assistance for Needy Families (TANF formerly AFDC), fully disregarded for TANF benefits and partially disregarded for SNAP benefits.

Enacted together, these improvements would:

- Cut child poverty at least 57.1 percent, lifting 5.5 million children out of poverty.
- Cut extreme child poverty at least 57.9 percent, lifting 1.3 million children above 50 percent of the poverty line.
- Raise family incomes for 95 percent of all poor children.
- Lift 58.1 percent of poor children under 6 out of poverty.
- Lift 65.4 percent of poor Black children out of poverty.
- Lift 59 percent of poor Hispanic children out of poverty.
- Reduce poverty among single-parent households 59.5 percent.
- Reduce poverty among children in metropolitan and non-metropolitan areas 57 percent.

These improvements would cost $52.3 billion—1.4 percent of federal spending and 0.3 percent of U.S. gross domestic product (GDP). This is a bargain our nation—which approved nearly $2 trillion in tax cuts for the wealthiest individuals and corporations in 2017—can easily afford. Every dollar invested in reducing child poverty will return at least seven dollars to our economy.

The bottom line is simple: we must eliminate child poverty and can get started immediately. Children only have one childhood and it is right now. We cannot afford to wait another 3, 5, or 10 years to end child poverty—and this report shows we do not have to. We have the knowledge and resources. We must now develop the moral and political will to act.

Who Are Our Poor Children and How Poor Are They?[1]

Children are the poorest age group in America.
- A child is born into poverty every 41 seconds in America.
- Nearly 1 in 3 of those living in poverty are children. Over 12.8 million children were poor in 2017.
- Of these children, nearly 5.9 million lived in extreme poverty below half the poverty line.
- Poverty is defined as an annual income below $25,094 for a family of four—$2,091 a month, $483 a week or $69 a day. Extreme poverty is an income below half that level ($12,547).

The youngest children are the poorest during their critical years of brain development.
- Nearly 1 in 5 infants, toddlers and preschoolers are poor.
- More than 1 in 3 American Indian/Alaska Native and Black children under 5 are poor.
- Nearly half of all poor children under 5 live in extreme poverty.

Poverty affects all children, but disproportionately children of color.
- More than 2 in 3 poor children are children of color.
- Nearly 1 in 3 American Indian/Alaska Native children and more than 1 in 4 Black and Hispanic children are poor compared with 1 in 9 White children.
- While American Indian/Alaska Native and Black children have the highest poverty rates, Hispanic children comprise the largest number of poor children followed by White children.

Poverty affects children in rural, suburban and urban communities.
- A majority of poor children live outside major cities—in suburbs, smaller non-metropolitan cities and rural areas.
- 60 percent of poor children live in small cities, suburbs and rural towns.

The majority of poor children live with at least one working family member.
- 2 in 3 poor children in related families live with an adult who works.
- Nearly 1 in 3 live with a family member who works full-time, year round.

CHILD POVERTY, 2017

WA 14.3%
MT 14.7%
ND 10.9%
MN 11.8%
VT 13.8%
ME 13.1%
NH 10.3%
MA 13.5%
RI 16.6%
CT 12.6%
OR 16.5%
ID 15.3%
WY 13.3%
SD 16.6%
WI 14.5%
MI 19.7%
NY 19.7%
PA 17.0%
NJ 13.9%
MD 12.0%
NV 18.5%
UT 10.7%
CO 12.0%
NE 14.1%
IA 12.3%
IL 17.0%
IN 18.4%
OH 20.1%
WV 25.9%
VA 14.0%
DE 18.5%
DC 25.6%
CA 18.1%
KS 14.8%
MO 18.6%
KY 22.4%
TN 21.2%
NC 21.2%
AZ 20.8%
NM 27.2%
OK 21.5%
AR 22.5%
SC 22.6%
MS 26.9%
AL 24.6%
GA 21.0%
TX 20.9%
LA 28.0%
FL 20.3%
AK 14.9%
HI 11.5%

Note: These figures reflect the number of children living below the official poverty line as calculated by the Official Poverty Measure (OPM) based only on cash income.

HOW POVERTY HURTS OUR CHILDREN AND NATION

Poverty steals children's potential and steals from all of us.

No child should face the minute by minute, hour by hour, day by day harms of poverty that millions of children experience in America. Nearly 4 in 10 children in our nation spend at least a year in poverty before their 18th birthday,[1] and more than 1 in 10 spend at least half their childhoods in poverty.[2] In 2017 over 12.8 million children in America lived below the official poverty line—$25,094 for a family of four—based only on cash income.[3] Nearly half lived in extreme poverty below half the poverty line. Nearly 1 in 5 children under 5 lived in poverty—almost half in extreme poverty.

Poverty stacks the odds against children and stalks them down every avenue of their lives. It places them at risk of hunger, homelessness, sickness, violence, educational failure and toxic stress. It deprives them of positive early childhood experiences and opportunities that prepare more affluent children for school, college and work. Poverty wears down children's emotional reserves, saps their spirits and threatens their potential. Starting in infancy and continuing through to adulthood, poverty can haunt and harm children for life.

> **Nearly 4 in 10 children in America spend at least one year in poverty before their 18th birthday.**

Poverty creates gaps in cognitive skills in babies.

For many children, poverty takes its toll during the earliest years of rapid brain development. Unpredictable schedules and low paying jobs create challenges for parents and caregivers struggling to provide opportunities during children's early years of life.[4] These conditions interfere with parents' quality time with their children and curtail learning opportunities.[5] Young children in poor families are less likely to be read to and taught letters, words and numbers before entering preschool than children in non-poor families.[6] Cognitive deficits can be observed in babies as early as nine months and often worsen with age.[7] These early disadvantages are often hard to overcome.

Poverty can trigger toxic stress and negatively impact a child's brain functioning for life.

Prolonged or frequent exposure to adversity can trigger toxic stress that can permanently rewire children's brains, disrupt their social development and threaten their ability to succeed in school and life. Research shows toxic stress associated with child poverty increases the likelihood of low educational achievement, unstable employment, adult poverty and involvement in the criminal justice system.[8]

Poverty deprives children of enough nutritious food.

Poverty often forces children to go without food they need to survive and thrive, limiting both the amount and quality of food available to them. In 2017, more than 43 percent of poor children lived in homes where not everyone had enough to eat.[9] Too often, food accessible in poor neigborhoods is not nutritious or adequate for healthy child development.

The harms of child hunger and malnutrition do not last just until the next meal. Food insecurity is associated with lower reading and math scores, greater physical and mental health problems and higher incidence of emotional and behavioral problems.[10] Beyond food insecurity, limited access to healthy, nutritious food options can threaten children's physical development and increase their risk of obesity.[11]

Going Hungry in a Nation of Plenty

What does it mean to be food insecure or, as the U.S. Department of Agriculture phrases it, to not have "adequate food for active, healthy living?"[12]

For too many families, food insecurity means tough calls about who will and will not eat. For Jeannette's family, it meant sacrifice. Her parents struggled to afford regular nutritious meals. When resources were limited, they chose to go without so Jeannette would have enough to eat.

Food insecurity means stress and worry over where the next meal will come from. It drove Florencia to keep her eyes peeled for loose change. Nickels and dimes could add up to a bag of chips from the corner store—something for her little brother to eat.

Food insecurity can also mean physical pain, stomach pangs and gnawing hunger. For Eva and her sisters, it meant drinking big glasses of water to feel full on nights when there was no dinner. No child should go to bed with only water to fill her stomach.

An extensive body of research has spoken: Food insecurity threatens children's health, ability to learn and path to adulthood.[13] Lawmakers must invest in policy solutions proven to address child hunger, like the Supplemental Nutrition Assistance Program (SNAP). SNAP helped combat food insecurity among more than 18 million children in 2017—a quarter of our nation's children.[14]

Child poverty increases the risk of homelessness and housing instability.

Poverty robs children of safe, stable housing and pushes them into shelters or onto the streets. On a single night in January 2017, about 115,000 children were homeless in America.[15] Nearly 1.4 million homeless children were enrolled in public schools in 2016-2017.[16] Children who experience homelessness are more likely to suffer chronic health problems, witness violence, get suspended or expelled or drop out of high school.[17]

Millions of other poor children live in fear of homelessness or lack safe, healthy and adequate housing. As our nation's affordable housing crisis deepens, poor children face disproportionate risk of living in households facing severe rent burdens and threat of eviction. Nearly 3 million households with children faced unsustainably high rents or lived in severely rundown housing in 2015, placing them at risk of homelessness or housing instability.[18] Too many families are just one financial shock away from losing their homes.

Out of Sight, Out of Mind

Baby dolls, tiny trucks, toy food and dress-up capes. Scattered about the ballroom of a motel in Northeast Washington, D.C., and captured in a Washington Post column by Petula Dvorak,[19] these hallmarks of child's play are not merely a sign of productive imaginations—they're evidence of a larger poverty crisis.

Twenty minutes outside the city's downtown, a stretch of budget motels along a major highway serve as overflow shelters for homeless families in our nation's capital. They have strict rules about where children are seen and heard. Signs dotting the hallways announce "No Playing on the Hotel Premises" and children are forbidden from gathering in common spaces.[20] The Homeless Children's Playtime Project, a local nonprofit, reserves event spaces to carve out areas where children can be children, but the lack of space and high cost of reserving ballrooms and conference halls means pop-up playtimes are limited.

Away from the hustle and bustle of Capitol Hill where big deals are made and bills become laws, the motels—and the 1,000 homeless children within them—are largely out of sight and out of mind. Other shelters are similarly isolated. Until it closed in October 2018, the city's largest family shelter was D.C. General, a former abandoned public hospital whose neighboring buildings included a jail and morgue. Out of direct view and tucked into the nooks and crannies of a dense city, it is too easy to overlook homeless children.

Until tragedy strikes.

Eight-year-old Relisha Rudd was abducted from D.C. General in March 2014. For months, Relisha's disappearance dominated the news cycle and brought national attention to D.C. General. City officials, pundits, locals and anonymous online commenters heaped blame on Relisha's family, her teachers and her social workers. But assigning blame did nothing to bring Relisha—who loved art and baby dolls and would exuberantly spell V-I-C-T-O-R-Y on her school's cheer team—home.[21] Five years have passed and Relisha is still gone.

Why do we fail to see our poor children until their faces stare at us from a Missing Child poster? Why do we blame parents rather than challenge our broken, unjust system? Other Relishas live everywhere among us: homeless because housing is too expensive and jobs pay too little; unaccounted for because affordable quality child care is out of reach; finding pockets of playtime in motel ballrooms because play is otherwise forbidden; hurting because poverty hurts.

It's time to stop assigning blame and start taking action. We must make poor children's struggles visible to policymakers at all levels of government and lift up evidence-backed poverty solutions including a higher minimum wage, transitional jobs programs, child care assistance and housing vouchers for struggling parents. We must keep children front and center, invisible no longer.

Poor children experience worse health outcomes.

Children's health disparities are fueled by poverty and a lack of access to affordable, quality health care. According to a 2017 national survey, poor children experienced fair or poor health at five times the rate of non-poor children.[22] Poor children are also disproportionately likely to suffer adverse childhood experiences like the death or incarceration of a parent, which can have devastating health impacts over their lifetimes. Nearly 1 in 3 poor children had suffered two or more adverse childhood experiences as of 2017 compared with 1 in 12 children in families with income at or above 400 percent of the federal poverty line.[23] The more adverse childhood experiences a child suffers, the greater their likelihood of health problems in adulthood including heart disease, diabetes, substance abuse and depression.[24]

Poor children are less likely to enter school ready to learn and graduate from high school.

Poverty not only threatens children's physical well-being but also their academic potential. Poor children are less likely to enter school ready to learn. Less than half of poor children are ready for school at age 5 compared with 75 percent of their wealthier peers.[25] Often trapped in underfunded schools with fewer resources, many poor children fall further behind as they move up the academic ladder. Lower-income fourth and eighth grade public school students were almost twice as likely to perform below grade level in reading and math as their higher-income peers in 2017.[26] By the time poor children enter high school, poverty has stacked the odds against them and decreased their chances of graduating. Only 62 percent of children who spent half their childhoods in poverty completed high school by age 20, compared with 90 percent of children who never experienced poverty.[27]

Child poverty fuels an intergenerational cycle of poverty.

The compound effects of child poverty can have lasting consequences into adulthood. Children who grow up poor have a harder time escaping poverty as adults. Research shows people who experienced poverty at any point during childhood are more than three times as likely to be poor at age 30 as those who were never poor as children.[28] The longer a child is poor, the greater her risk of becoming a poor adult. A 2017 Urban Institute report found only 20 percent of children who spent half their childhoods in poverty were consistently working or in school during their twenties.[29]

Child poverty has substantial economic costs for our nation.

Beyond its individual human costs, child poverty has huge economic costs for our entire nation. One study states the lost productivity and extra health and crime costs stemming from child poverty add up to about $700 billion a year, or 3.5 percent of GDP.[30] Another study found eliminating child poverty between the prenatal years and age 5 would increase lifetime earnings between $53,000 and $100,000 per child—a total lifetime benefit of $20 to $36 billion for all babies born in a given year.[31] And we cannot measure the countless innovations and discoveries that never occur because so much child potential is lost.

We must act now to save our children and nation.

Inaction is not an option; poverty is too costly for our children and nation. We cannot afford to wait to end child poverty. Every moment that passes is another moment children across the country will worry about where their next meal will come from and parents will worry about making ends meet. We already have the solutions. We just need the will to put them into place.

Public Opinion on Ending Child Poverty

Parents and children overwhelmingly support eradicating child poverty. According to the Children's Defense Fund's Parent and Child Trends Survey conducted in spring 2018 by YouGov:

- Almost 9 in 10 children and parents in the United States say child poverty is a serious problem and an even higher proportion of each group believe all children should have the same opportunity to succeed in life.
- Overwhelming majorities support universal access to housing, food and health care for all children.
- Around 95 percent of parents and children say children in America should never be homeless, go hungry because their family can't afford food or be denied the opportunity to see a doctor if their family can't afford it.
- When asked how they would change the world if they could make just one change, the most common answer children give is ending poverty, hunger and homelessness.

"We worry about [children's] access to health care and the cost. We worry about how they are going to pay for college," the father of a 6-year-old boy from Indiana said.

Children and parents place the blame for the persistence of poverty with political leaders, not with those in poverty.

- Three-quarters of children and parents believe the government does more to help the rich than the poor.
- Only about a third of children and parents believe the government is doing enough to end child poverty, with parents in lower-income households being even more likely to say the government is not doing enough.
- Only 28 percent of children and 26 percent of adults agree that "if people are poor, it is their own fault."

The burdens of poverty weigh heavily on children and their parents in every facet of life.

- Nationwide, 23 percent of children and 27 percent of parents worry about not having enough money for food or housing.
- Nearly 3 in 10 parents worry about their child getting sick and not being able to afford health care.
- Parents in households below the poverty line are more likely to worry about their child being bullied, treated unfairly, getting a good education and getting in trouble with the police.
- Children in households earning less than $25,000 a year are more likely than other children to worry about their family not having enough money for food or rent, being treated unfairly in school, getting sick and being unable to afford a doctor visit and not getting a good education at their school.
- Three in 4 teens from low-income homes reported their families had little or no money set aside for emergencies.

CDF's findings fit in with broad trends in public opinion in support of ending child poverty. A 2017 survey from the Public Religion Research Institute found that a majority of Americans see child poverty as a top concern and nearly 90 percent of people support tax breaks for low-income parents.[32] Further, a 2016 poll from the Children's Leadership Council found that 71 percent of voters said they were more likely to support a candidate who placed a priority on fighting child poverty.[33]

HOW TO REDUCE CHILD POVERTY NOW

Our nation can reduce child poverty at least 57 percent and lift 5.5 million children out of poverty *now* by improving and investing in policies that work.

Child poverty is not inevitable, necessary or morally defensible. Sentencing more than 12.8 million children to poverty is a choice—an immoral choice—in a nation with the world's largest economy. We have more than enough resources and knowledge to conquer our child poverty crisis, but we have chosen to use our ever-growing affluence to enrich the wealthiest few at the expense of millions of poor children. We have chosen to invest in billionaires before babies and put corporate greed before child need.

We can choose another path. We can give every child the chance to grow up free from poverty. We already know what works. Since 1967, child poverty has been cut almost in half with the help of benefits like nutrition assistance, housing vouchers and refundable tax credits.[1] Safety net programs and tax credits lifted nearly 7 million children out of poverty in 2017 alone.[2]

We know what works. We can and must do more.

Since 1967, the nation has nearly cut child poverty in half, if you take into account the totality of public supports for families.

SPM Child Poverty

- 1967: 28.6%
- 2017: 15.6%
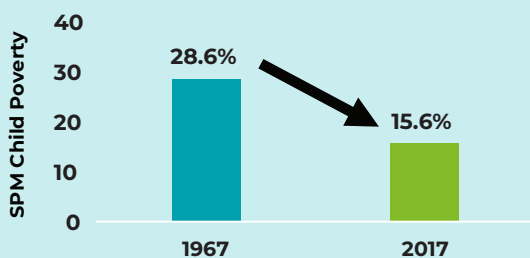
In 2017, federal safety net programs and tax credits cut child poverty 37 percent, providing supports that lifted nearly 7 million children above the poverty line.

Child Poverty

- Without Safety Net Benefits: 24.6%
- With Safety Net Benefits: 15.6%
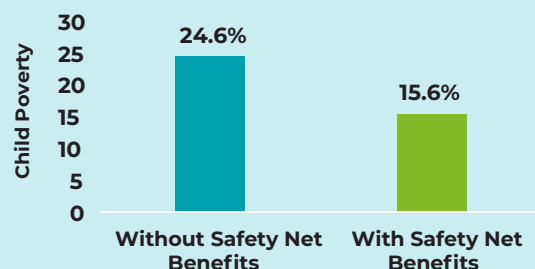
Millions of children still get left behind, however, because our nation fails to expand and invest in these proven policies and programs. Some of these children remain poor after receiving public benefits because safety net programs are inadequately funded. Some are locked out of receiving benefits entirely due to eligibility and benefit restrictions. Many working families struggle to make ends meet because wages are too low and housing and child care costs are out of control. We can—and must—fix these problems immediately to help more children escape poverty now.

Building on our 2015 study, CDF sought to determine how much closer our nation could get to ending child poverty by simply improving and investing more in existing policies and programs that work. CDF identified nine policy improvements that could be enacted immediately to help:

- Increase employment and make work pay for families with children; and
- Ensure children's basic needs are met when families fall on hard times.

CDF designed these policy improvements to not only lift children above the poverty line but also help them stay out of poverty. In addition to helping poor families, these policies help families living just a few thousand dollars above the poverty line that still struggle to meet their children's needs and face greater risk of falling back into poverty. Many of these policy improvements encourage work and gradually phase out benefits for families above the poverty line to target assistance to those most in need.

After identifying a set of policy improvements to help more of today's poor and near-poor children, CDF contracted with the Urban Institute, a leading nonpartisan research organization, to estimate the child poverty impacts and costs of these improvements. Using TRIM3, a well-respected tool for modeling potential impacts of changes to U.S. safety net programs and policies, the Urban Institute found these combined policy improvements would reduce child poverty at least 57.1 percent and lift 5.5 million children from poverty in a single year at a cost of $52.3 billion.

This chapter outlines these proposed policy improvements, which together represent a package for an immediate and substantial down payment on ending child poverty for *all* children. Full details on the combined impacts of these policy improvements by income level, age, race, ethnicity and geography are presented in Chapter 3. Technical details on how these policies were modeled by the Urban Institute can be found in the box on page 31 or Appendix 2.

Together, the following policy improvements would cut child poverty at least 57 percent and help 5.5 million children escape poverty by increasing employment, making work pay and meeting children's basic needs. This down payment is a critical next step towards ending child poverty.

Increasing Employment and Making Work Pay for Adults with Children

The best anti-poverty strategy is ensuring parents and caregivers who are able to work have jobs that pay enough to support a family. CDF identified six policy improvements to increase family income through the labor market and work-connected tax credits and help caregivers cover child care costs.

1. Provide Publicly-Funded Transitional Jobs for Families with Children

Why This Policy — For most of the past 15 years, the number of unemployed job seekers has exceeded the number of job vacancies by more than two million, regardless of the state of the economy.[3] Too many workers are being excluded from the labor force. Publicly-funded transitional jobs could provide work for the unemployed and underemployed, enabling them to earn income and build skills.[4] Transitional jobs—deployed effectively during the 2008-2009 Great Recession—benefitted long-term unemployed individuals most and increased employment and income after participation ended.[5] These programs alleviate short-term hardship for families by providing immediate work-based income support and help disconnected youth find work and gain other employment.[6]

Proposed Improvements — To increase employment for families with children, CDF proposes establishing a transitional jobs program to provide minimum-wage jobs to unemployed or underemployed individuals ages 16-64 in families with children for 30 weeks at a time, with a possibility of renewal after four weeks of searching for unsubsidized employment.[7]

2. Raise the Minimum Wage to $15 an Hour by 2024

Why This Policy — Millions of working families with children struggle to make ends meet because wages are too low. More than two-thirds (70.1 percent) of poor children in related families live with an adult who works and more than a third (34.0 percent) live with an adult who works full-time year-round.[8] A parent with two children working full-time at the current federal minimum wage of $7.25 an hour takes home an annual income $4,669 below the poverty level. The current federal minimum wage is worth about 29 percent less in inflation-adjusted terms than at its peak in 1968.[9] It would be more than $20.00 today had it grown at the same rate as worker productivity.[10] However, the federal minimum wage has stagnated at $7.25 for a decade,[11] and it must be raised to help families make ends meet and support their children's development. Recent research links a higher minimum wage to lower rates of infant mortality and low birth weight.[12]

Proposed Improvements — To ensure working families earn enough to support their children, we propose increasing the federal hourly minimum wage from $7.25 to $15.00 for workers covered by the Fair Labor Standards Act (FLSA) and raising the wage to 70 percent of that ($10.50) for tipped workers by 2024.[13]

"I have faith. But I also have politics."[14]

In 2014, 8-year-old Alexander lived with two older siblings and his mom in a single-room apartment. Alexander's family valued time together, but this time came at a price. So savvy Alexander started saving money. "I want to buy one hour of your time," Alexander told big brother Julio, who was then 24 and working up to 16-hours a day at two full-time jobs. "How much for one hour to play with me?"

Julio wept at Alexander's question. And he prayed. And then he became active in a local Fight for $15 campaign to raise the minimum wage in Emeryville, CA. "God, he believes in justice," he said. "I have faith. But I also have politics." There were marches, strikes and a big victory: city council members voted in 2015 to increase the minimum wage. The subsequent bump in Julio's pay changed his life—and Alexander's. Julio could afford to work less and spend more time with his little brother. Now, he often picks up Alexander from school.

Sociologist and writer Matthew Desmond shared Julio's story and the stories of other low-wage workers in a New York Times Magazine article. A common theme in the workers' experiences? Higher wages translated to improved financial security, improved health and improved lives. And research confirmed that children receive some of the biggest benefits of an increased minimum wage—declines in rates of low birth-weight babies, infant mortality, teen births and teen alcohol consumption have all been linked to higher minimum wages.

3. Increase the Earned Income Tax Credit for Poor Working Families with Children

Why This Policy — The Earned Income Tax Credit (EITC) is one of our nation's most effective tools for reducing child poverty in working families, keeping about 3 million children out of poverty in 2016.[15] The EITC is available to working adults beginning with the first dollar earned and its value increases with earnings up to a maximum, providing an incentive to work and to work more hours. Decades of research confirm it encourages work and boosts earnings.[16] EITC expansion was the main reason employment among single mothers increased in the 1990s—even more than the booming economy or welfare reform.[17] The EITC improves the lives of children, their families and their communities.[18] It is linked to children's improved school performance as well as higher college attendance rates.[19] It also stimulates local economies, as families use the credit for necessities like groceries and medical expenses. Research shows a $1.50–$2.00 return to the economy for every EITC dollar a worker earns.[20]

Proposed Improvements — To better serve families with lower incomes through the EITC, CDF proposes increasing the EITC's value and raising the phase-in rates. A single parent with one child would see her maximum credit increase by 31 percent. We recognize expanding the EITC for childless workers or noncustodial parents is also important for children they may have or be related to in other households. However, it was not possible to model the impact of the proposed EITC expansion on these children because TRIM3 cannot link childless adults or noncustodial parents in one household to children in other households.

4. Make the Child Tax Credit Fully Refundable with Extra Benefits for Young Children

Why This Policy — The Child Tax Credit (CTC)—as modified by the 2017 Tax Cuts and Jobs Act—provides families up to $2,000 for each child under 17 to help offset child rearing costs. However, the CTC's anti-poverty effects are limited because the poorest families cannot receive the full credit. Under current law, families must earn more than $2,500 a year to be eligible. Once families meet that threshold, the credit's value starts out small and rises as family income increases. A single parent with two children must earn almost $30,000 to qualify for the full credit.[21] The CTC is also only refundable up to $1,400, meaning lower-income working families owing no federal income tax can only receive a $1,400 credit—not the full $2,000. These limitations deny approximately 27 million children under 17 the credit's full benefits or any benefit at all.[22]

Proposed Improvements —To broaden eligibility and boost the value of the CTC for the poorest working families, CDF proposes making the CTC fully refundable and beginning refundability with the first dollar of earnings. The earnings eligibility threshold would be lowered from $2,500 to $1 and the refundable portion of the credit would rise from $1,400 to $2,000 per child. Recognizing the special vulnerability of the youngest children, the credit's value would be phased in at a rate of 50 cents on the dollar rather than 15 cents for children under 5.[23] To reduce costs and better target the CTC to needy families, eligibility would be restricted for higher income families. The income level at which the CTC begins to phase out would revert to pre-2017 levels, from $200,000 for individuals and $400,000 for married couples to $75,000 for individuals and $110,000 for married couples.

5. Expand Access to Child Care Subsidies and Eliminate Co-Pays

Why This Policy — To work, parents need access to affordable, quality child care. Due to rising costs, however, child care has grown increasingly out of reach for many low-income families. Center-based infant care cost more than in-state college tuition in 28 states and the District of Columbia in 2017.[24] While the federal government and states provide child care subsidies to some families with children under 13 through the Child Care and Development Block Grant (CCDBG) and related government funding streams,[25] only about 15 percent of all federally-eligible children benefit due to limited funding.[26]

Proposed Improvements — To help more parents get the child care assistance they need to work, CDF proposes expanding federal child care subsidies to all needy families with incomes below 150 percent of federal poverty guidelines. These families would also be exempted from co-pays.

6. Expand the Child and Dependent Care Tax Credit and Make It Fully Refundable

Why This Policy — The Child and Dependent Care Tax Credit (CDCTC) helps parents work by reimbursing families for a portion of their child or dependent care expenses. In 2017, 6.3 million taxpayers received a total of $3.4 billion through the CDCTC.[27] However, because the CDCTC is a nonrefundable credit available only to those who earn enough to face federal income tax liability, many low-income families do not benefit. Even when help is provided, the CDCTC only reimburses a maximum of 35 percent of child or dependent care costs. Many low-income families need additional support to reduce their out of pocket child care costs.

Proposed Improvements — To help cover child care costs for working families, CDF proposes making the CDCTC fully refundable to enable all families to benefit and increasing the maximum portion of reimbursable costs from 35 to 50 percent for lower-income families.

Ensuring Children's Basic Needs Are Met When Families Fall on Hard Times

Ending child poverty also requires meeting basic child needs when the economy shrinks, disaster hits or parents lose their jobs. Children's chances of reaching productive adulthood are strongly influenced by their experiences growing up. If they go hungry, suffer homelessness or experience prolonged stress from economic hardships, their opportunities in life will be diminished. CDF identified three policy improvements to ensure children's basic needs for housing, food and child support are met when families fall on hard times.

7. Increase Supplemental Nutrition Assistance Program Benefits

Why This Policy — The Supplemental Nutrition Assistance Program (SNAP) helped combat hunger among more than 18 million children in FY2017[28]—a quarter of all children in our nation—and kept 1.5 million children out of poverty in 2017.[29] However, SNAP benefits averaged only $1.40 a person per meal—far from enough for nutritious food.[30] In 2017 half of all households receiving SNAP were still food-insecure, clear evidence that current SNAP benefits are insufficient to meet families' food needs.[31] Food insecurity hurts children's cognitive development and has been linked to poor nutrition, poor health and behavioral problems.[32]

Proposed Improvements — To increase SNAP's anti-poverty and anti-hunger impact for households with children, CDF proposes calculating SNAP benefits based on the U.S. Department of Agriculture's Low-Cost Food Plan to increase benefits about 31 percent over current Thrifty Food Plan benefits.[33] The Low-Cost Food Plan assumes use of different foods, higher quality food and higher overall costs.

8. Expand Housing Vouchers for Low-Income Renters

Why This Policy — Housing is the single largest expense for most families and rents keep rising around the country. In 2017, a full-time, year-round minimum wage worker could not afford the monthly Fair Market Rent for a two-bedroom rental unit in any state or the District of Columbia and have enough money for food, utilities and other necessities.[34] The number of families with worst-case housing needs—low-income families with high rent burdens or severely inadequate housing who do not receive housing assistance—increased from 7.7 million in 2013 to 8.3 million in 2015, including 2.9 million families with children.[35] Federal rental assistance—including public housing and vouchers for private rentals—helps more than 5 million of our neediest households afford a place to live.[36] Due to funding limitations, however, fewer than 1 in 4 needy families with children benefit.[37]

Proposed Improvements — To help more poor and near-poor families with children meet their housing needs, CDF proposes expanding the housing voucher program for families below 150 percent of the official poverty guidelines who need but do not receive housing assistance and for whom the fair market rent exceeds 50 percent of their income.

Professionals on the Frontlines of Child Poverty: Educators

Wayne Harris is a calm and steady source of encouragement for the young men who seek refuge at Safe in My Brother's Arms (S.I.M.B.A.), a program for homeless students in New York City. Harris founded S.I.M.B.A, as well as its companion program All Sisters Evolving Together (A.S.E.T) to respond to the unique needs of homeless students navigating the harsh reality of living in shelters on top of living in poverty.[38] "A lot of young people are inspired by some of the pain and of some the trauma that they experience but they are not fortunate enough to have the support to overcome those obstacles," Harris said. That's where Harris and his team step in with academic resources, mentoring and extracurricular activities.

More than 1.4 million students in our nation's public school system were homeless during the 2016-2017 school year, the most recent available data from the National Center for Education Statistics.[39] In New York, more than 1 in 10 students enrolled in city and state schools were homeless during the 2017-2018 school year.[40] Schools and academic support programs like S.I.M.B.A. that welcome homeless students each day must be prepared not just to educate, but to triage. Chronic tardiness might be the result of a long commute to school from a shelter far from campus grounds. A star student's sinking grades could be a sign of depression or inability to sleep.

Educators can provide a supportive learning environment and compassion, but it's not up to them to build affordable housing or fund housing vouchers. Our nation's leaders must boost housing assistance so all families can afford a stable home.

9. Help Child Support Benefit More Families Directly in TANF and SNAP

Why This Policy — Child support made up over half (58 percent) of all income among poor custodial families who received full payments in 2015,[41] and it helped 455,000 children escape poverty in 2017.[42] Many families assisted under the Temporary Assistance for Needy Families program (TANF) receive no direct child support, however. Under TANF, states collect child support payments from non-custodial parents but keep most of the money to reimburse themselves for the cost of providing TANF benefits to custodial families. Although states have the option to "pass through" child support payments to the custodial parent and child so the family may keep both its TANF and some child support, only about half of all states did so in 2017 (see Appendix 1).[43] States that pass through can also opt to disregard the child support payment when determining eligibility for TANF benefits to ensure families truly benefit financially from the additional support. The SNAP program does not include a disregard for child support income.[44]

Proposed Improvements — To ensure families receive child support payments to which they are entitled, CDF proposes requiring states to disburse all child support collected on behalf of a family receiving TANF and disregard child support income when determining TANF eligibility and benefit amounts. In addition, up to $100 of monthly child support income would be disregarded for each child when determining SNAP eligibility and benefit amounts.

These policy improvements would make a substantial and immediate down payment on ending child poverty for all children.

While several of these policy improvements would have large impacts on their own—most notably expanding housing vouchers, increasing SNAP benefits and increasing the EITC—maximizing the impact of these policy improvements requires they be enacted together (see Table 2.1). Picking and choosing from this menu of policy improvements won't cut it.

According to the Urban Institute, these combined policy improvements would reduce child poverty at least 57.1 percent, lift 5.5 million children out of poverty and help an additional 3.6 million poor children in a single year. It is important to note the estimates presented in this chapter and throughout the report do not account for additional anticipated impacts of the improved Child Tax Credit (CTC) due to difficulties in modeling (see Appendix 2 for additional details). Nonetheless, because our CTC proposal is better targeted to poor families and reduces credits for well-off families, we project our CTC improvements would only enhance the anti-poverty effects of this package and save money relative to existing law. Enacting our proposed CTC improvements with the other policy improvements would likely extend the impact of this package beyond a 57.1 percent child poverty reduction.

Table 2.1 Impacts and Costs of CDF's Policy Improvements					
	Percent Change in SPM Child Poverty	Number of Poor Children Lifted out of Poverty (millions)[45]	Net New Federal and State Government Costs (billions)^	Percent of Net New Costs Going to Families below:	
				100% SPM	150% SPM
Combined impact, excluding CTC*	-57.1%	5.5	$52.3	61	100
Housing	-21.9	2.1	22.3	76	99
SNAP	-15.8	1.5	21.7	35	83
EITC	-11.6	1.1	8.4	33	76
Transitional Jobs	-8.6	0.8	23.1	44	79
Minimum Wage	-8.3	0.8	-37.9	11	44
Child Care Subsidies	-7.6	0.7	15.5	32	77
CDCTC	-4.1	0.4	1.7	32	71
Child Support	-0.5	0.05	1.0	36	80
CTC	—	—	—	—	—

*The combined impact is less than the sum of the individual policy changes because in some cases the same child would be lifted above poverty by more than one policy improvement. Similarly the cost of the changes together is less than the sum of the costs of the individual changes.

^ This includes spending going to all children, including those not lifted above poverty and those already above poverty.

Other Combined Policy Packages

EITC, housing vouchers and SNAP increases together would reduce child poverty 45 percent.

A package of policies that incentivizes work through the improved EITC and meets children's basic housing and nutrition needs would have dramatic positive benefits without triggering economic arguments about raising the minimum wage. The Urban Institute found these three policies would reduce child poverty 44.7 percent at a cost of $51.5 billion.

EITC, CDCTC, child care subsidies, a minimum wage increase and transitional jobs would decrease child poverty 43 percent.

A package that focuses solely on helping people work and making work pay more would reduce child poverty 31.8 percent at a cost of $14.4 billion. The anti-poverty effects of this package are increased by pairing an increase in the minimum wage with an improved EITC, two policies that amplify and complement each other.[46] Increasing the minimum wage would boost the value of the EITC for low-income workers, and increasing the value of the EITC for lower-wage workers would increase incentives to work. The anti-poverty impacts of subsidized jobs programs would also be amplified by minimum wage and EITC changes. Increases to the CDCTC and increased child care subsidies would also further incentivize work by effectively increasing wages.

No child in our nation should be poor. Finishing the job will require us to go further, but we must get started now.

In addition to immediately enacting the policy improvements outlined in this chapter, we must continue to engage in broader, sustained efforts to permanently break the cycle of intergenerational poverty and improve the odds for all children.

We must ensure children already eligible for these policies and programs are enrolled and benefit. This means expanding outreach efforts and pushing back against program cuts. We must reverse policies that deny credits and other benefits to children and parents in immigrant families and stop policies like the proposed expanded public charge rule, which is already creating a chilling effect and discouraging children from getting the benefits they are entitled to.

We must also continue efforts to ensure children access to affordable, comprehensive, child-specific health coverage and care, high-quality early child development and learning opportunities, high performing elementary and secondary schools and colleges, families and neighborhoods free from violence and targeted economic opportunities for young adults. Children do not come in pieces. Sound policy must address the needs of the whole child and bolster family and community efforts.

We cannot stop until no child in America lives in poverty, but we must get started now. Let's enact the policy improvements outlined in this report to help millions of children escape poverty immediately. Together, they will broadly benefit today's children and tomorrow's future.

WHO BENEFITS FROM THESE IMPROVEMENTS

CDF's policy improvements would help children of all ages, races and ethnicities in all regions of our nation.

According to the Urban Institute's analysis, this policy package would reduce child poverty as measured by the Supplemental Poverty Measure (SPM) at least 57.1 percent, lifting 5.5 million children out of poverty and increasing the economic resources of an additional 3.6 million poor children based on 2015 data (see Table 3.1).[1] These combined policy improvements would have broad impacts, reducing poverty by:

- 57.1 percent among all children, lifting 5.5 million children out of poverty.
- 58.1 percent for children under 6, who are most vulnerable to poverty's harmful effects.
- 65.4 percent for Black children, reducing the Black-White child poverty gap by 30 percent.
- 59 percent for Hispanic children.
- 59.5 percent for single-parent families with children.
- 57 percent for children in both metropolitan and non-metropolitan areas.
- 58 percent for children in the South.

Overall, 9.1 million poor children—95 percent of all poor children—would see family resources increase; only 500,000 poor children would not benefit.[2]

| Table 3.1 Children Who Would Benefit from Policy Improvements (excluding CTC)				
Family SPM income to policy changes	Number lifted out of poverty (millions)	Percent lifted out of poverty*	Total number with increases in resources (millions)	Percent with increases in resources
Less than 100% poverty	5.5	58.1%	9.1	95%
Less than 50%	0.5	22.8	1.9	90
From 50% to <100%	5.0	68.1	7.2	96
From 100% to <150%	—	—	14.9	89
From 150% to <200%	—	—	8.3	68
200% or higher	—	—	9.8	28
Among all children	**5.5**	**—**	**42.3**	**57**

*These percentages represent poor children who would be lifted out of poverty, but do not account for a small number of children who would become poor due to job losses associated with this package.

A total of 42.3 million children would benefit.

In addition to helping 9.1 million poor children, CDF's proposed policy changes would improve the economic well-being of 33.2 million children in families above 100 percent of SPM poverty—half in families with incomes between 100 and 150 percent of poverty (see Table 3.1). The average resources of all families with children would rise about $5,887, with a larger average increase of $11,587 for extremely poor families with children. A total of 42.3 million children—57 percent of all children in America—would see their family's economic resources increase as a result of these combined policy improvements.

Although these policies are primarily aimed at reducing child poverty, they also would reduce poverty among working-age adults 25 percent, the elderly 4 percent and the entire population 29 percent. A total of 1.8 million people in families with children would gain jobs from the transitional jobs program and improvements to the Earned Income Tax Credit, child care subsidies, minimum wage and the Child and Dependent Care Tax Credit proposals.[3]

Effects on Poverty Among Selected Groups
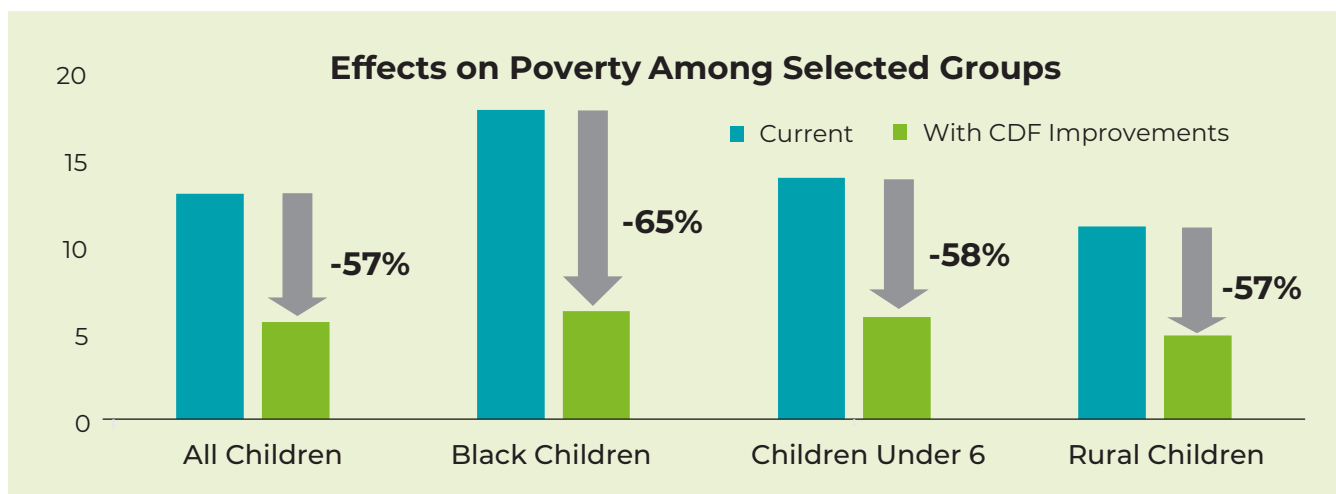
These policies would reach children in families below 50 percent of the poverty line, cutting extreme child poverty at least 58 percent.

While children in families below 50 percent of the poverty line—the threshold for extreme poverty—are harder to reach with anti-poverty measures, this package would reduce extreme child poverty 58 percent and benefit 90 percent of extremely poor children. About 1.3 million children in extreme poverty would be lifted above 50 percent of the poverty line and 500,000 of them would be lifted completely out of poverty.

These policies would help children of all races and ethnicities with Black children experiencing the greatest benefits.

These combined policy improvements would substantially reduce child poverty among all racial and ethnic groups, with Black children experiencing the largest poverty reduction. Black child poverty would be cut 65.4 percent, dropping from 2.3 to 1.6 times as high as White child poverty—a 30 percent decrease in the Black-White gap. Hispanic children would experience the second greatest child poverty reduction under the policy package. The combined policies would reduce Hispanic child poverty 59 percent and cut poverty among White children and children of other races in half.

These policies would help the youngest children most.

The combined policies would reduce poverty among 3-5 year olds 62 percent, offering the greatest support to young children during critical years of brain development (see Table 3.2).

Children in America would benefit wherever they live.

Rural and urban children would benefit equally with child poverty reductions of 57 percent in non-metropolitan and metropolitan areas. Individually, however, the impact of each policy would differ by urbanicity. Six of the individual policy changes would have a greater impact in suburban and rural areas. Only one policy proposal—expanding housing vouchers—would yield larger urban child poverty reductions (see Appendix Table A4.3).

The combined policy improvements also had similar impacts on child poverty across different regions of the country, with the South and Northeast seeing only slightly larger impacts than the West and Midwest regions (see Table 3.2).

Table 3.2 Child Poverty Reductions by Race, Age, Urbanicity and Region			
Race			
White	Hispanic	Black	Other
-52%	-59%	-65%	-49%
Age			
≤2	3-5	6-12	13-17
-55%	-62%	-59%	-53%
Urbanicity			
Non-Metro		Metro	
-57%		-57%	
Region			
Midwest	South	Northeast	West
-55%	-58%	-58%	-56%

Who are the 5 percent of poor children who would not benefit from this policy package?

While this package would lift at least 57.1 percent of children out of poverty and reduce poverty among 95 percent of all poor children, roughly 500,000 children would not benefit. Some may live in families eligible for assistance or tax credits that do not claim the benefits for a variety of reasons including a lack of awareness or bureaucratic barriers. Immigration status may explain why some children would remain poor, as some policies and programs in this analysis benefit only citizens and authorized immigrants. Some children may live with adults with disabilities unable to work. Full eradication of child poverty will require more targeted assistance to hard-to-reach families.

Impacts of CDF's Policy Improvements in Select States

The Urban Institute computed impacts of CDF's policy improvements in California, Florida, New York and Texas, which together are home to nearly 40 percent of all poor children based on the Official Poverty Measure (OPM). Although large reductions in child poverty would occur in all four states, the impacts of these combined policies would be greatest in Florida and California. The impacts of individual policies would also vary across these states (see Appendix Table A4.4). Increasing SNAP benefits, providing transitional jobs and passing through and disregarding child support would have the greatest impact in Florida. Expanding housing vouchers would have a particularly substantial impact in California, reducing child poverty by nearly 40 percent in the state. Raising the minimum wage and increasing the EITC would have the greatest impact in Texas, while expanding the CDCTC and child care subsidies would have the greatest impact in New York.

	CA	FL	NY	TX
Number and percent of poor children prior to policy changes	1.6 million 17.0%	0.8 million 17.8%	0.6 million 14.6%	1.1 million 14.8%
Child poverty reduction	-59.2%	-62.4%	-58.3%	-57.1%

How the Urban Institute Assessed Impacts of CDF's Policy Improvements

Simulation Model

The Urban Institute modeled the one-year impact of the proposed policy improvements using TRIM3, a validated microsimulation model of the tax and benefits programs affecting U.S. households. TRIM3—which models the U.S. non-institutionalized population based on U.S. Census and federal program and tax data—is a well-respected tool used for over 40 years to assess the operation of the U.S. safety net and estimate potential impacts of changes to safety net programs and policies. The model is developed and maintained by staff at the Urban Institute with funding primarily from the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation.[4]

This analysis was based on data representing the U.S. in 2015, the most recent year of data available for use within TRIM3 at the time of the simulation. All policies in place in 2015 were assumed to be in effect in the simulation. The estimated anti-poverty effects and costs therefore reflect the single-year impact these policies would have had if they were fully implemented in 2015. All listed costs are in 2015 dollars. While the economy has improved since 2015, the number of children below 100 percent of the official poverty threshold has decreased only 13 percent from 14.5 million in 2015 to 12.8 million in 2017.

Child Poverty Measurement

The impacts of these policy proposals on child poverty were measured using the Supplemental Poverty Measure (SPM), an alternative poverty measure developed by the U.S. Census Bureau and the Bureau of Labor Statistics based on a broader range of income sources and costs than the official poverty measure. While the official poverty measure counts only earnings and cash benefits (such as social security and unemployment benefits), the SPM also counts in-kind benefits such as food, housing and energy assistance and tax credits like the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC). It also deducts expenses such as taxes and child care, commuting and health care costs, and accounts for variations in housing costs in different parts of the country. As a result, the SPM, unlike the Official Poverty Measure (OPM), is a more comprehensive measure of poverty that accounts for the impact of government anti-poverty programs and policies CDF wanted to measure (see Appendix 3 for details).

The only policy change not fully captured by the SPM is increased availability of child care subsidies. The amount families pay out for child care is subtracted from their resources when determining SPM poverty. Thus, if families were previously not paying for child care or paying very little, the child care subsidy would not significantly affect their SPM rate. What the SPM is not reflecting in these cases is how families might now have access to more stable or higher-quality care.

Child SPM Poverty in 2015

Prior to the policy changes, 13.0 percent of children—9.6 million in total—were poor in 2015 according to the Urban Institute's SPM calculations. This child SPM estimate is lower than the Census' SPM estimate of 16.2 percent because TRIM3 corrects for underreporting of certain survey-reported resources, including receipt of SNAP, subsidized housing, Supplemental Security Income and TANF. TRIM3 also uses a different methodology to impute taxes paid. Characteristics of poor children based on the Urban Institute's analysis are presented in Appendix 3.

For more details about the Urban Institute's methods, please refer to Appendix 2 and the Urban Institute's technical report online.[5]
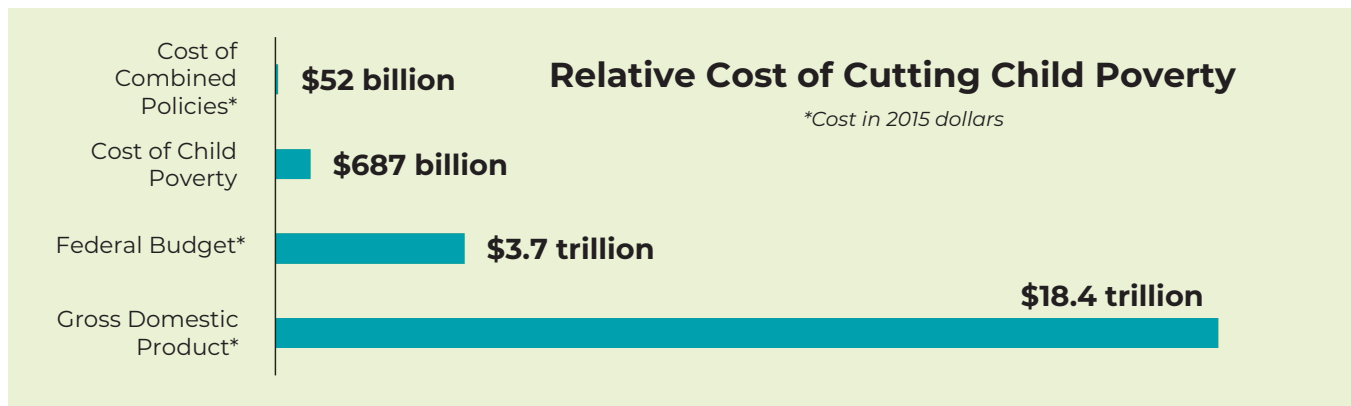
HOW TO PAY FOR THESE IMPROVEMENTS

Reducing child poverty 57 percent is a bargain our nation can easily afford.

Accoring to CDF's commissioned study from the Urban Institute, these combined policy improvements would have increased government expenditures $52.3 billion if enacted in 2015[1]—only 1.4 percent of the $3.7 trillion spent by the federal government in 2015 and 0.3 percent of the country's gross domestic product (GDP) that year.[2] The package would increase assistance through housing vouchers, SNAP and more, but it would offset much of this cost through increased tax revenues attributable to increased employment and higher earnings.[3]

Just over half the money invested in these policy improvements (51 percent) would go to families below 100 percent of SPM poverty and all new spending would go to families with incomes below 150 percent of poverty. Many families with earnings above 150 percent of the poverty line also would benefit from this package, but increased spending on them is offset by increased tax revenues from this group.

This investment in poverty reduction would make an enormous difference in the lives and futures of children and yield huge economic benefits. Child poverty costs the United States at least $687 billion dollars every year in lost productivity and extra health and criminal justice costs. Every dollar invested in alleviating child poverty saves our economy at least $7, meaning this package would reduce the annual economic cost of child poverty by more than half.[4] Not only can we afford to end child poverty; we can't afford not to.

Relative Cost of Cutting Child Poverty
*Cost in 2015 dollars

Cost of Combined Policies*	$52 billion
Cost of Child Poverty	$687 billion
Federal Budget*	$3.7 trillion
Gross Domestic Product*	$18.4 trillion

Unfortunately, our political leaders have ignored the survival needs of America's poor children for too long, choosing instead to heap benefits on our nation's wealthiest individuals and corporations and spend trillions of dollars on the military. In 2017 Congress approved tax cuts for the wealthy that will add $1.9 trillion to the national debt over a decade,[5] and in 2018 they approved a 2019 military budget of $686 billion.[6]

For lawmakers who spend trillions to pad the pockets of the rich, withholding help for the poor is not an act of fiscal practicality but moral bankruptcy. If leaders in Congress and the White House could find the moral courage to commit to ending child poverty, finding the money would be simple. Below are several ways Congress could pay for this package and create hope for millions of America's children.

Billionaires vs. Babies

In 2017, the Trump Administration and Congress voted to serve the rich, the will-be-rich and the have-always-been-rich—not our most vulnerable children. While millions of children suffered poverty, hunger and homelessness, the Trump administration and Congress gave $1.9 trillion in massive tax cuts to wealthy individuals and corporations. The 2017 tax bill stacks the deck in favor of the rich and powerful and prioritizes greed before need, billionaires before babies and corporations before children.

Under the 2017 tax bill:

- The top 1 percent of households are projected to receive over $84 billion in tax cuts in 2019 alone—more than the annual cost of the entire SNAP food program.[7] In a year, the richest 1 percent of Americans will receive more in tax handouts than 39 million children and adults will receive in food assistance to survive and meet basic needs.

- The top 20 percent of households are expected to receive $225 billion in tax cuts in 2019[8]—three-fifths as much as the federal government invested in all 73.7 million children in America and children's programs in 2017.[9]

- More than half of all tax benefits paid in 2019 will flow to the richest 5 percent of taxpayers, while only 1 percent will benefit the bottom 20 percent.[10]

- Foreign investors will receive more in tax cuts than the bottom 60 percent of people in America[11]—about 194 million.

Imagine if our leaders invested as much in babies as in millionaires and billionaires? For the cost of President Trump's tax giveaways for the top 1 percent of households in 2019 alone, we could pay for our policy package to help 5.5 million children escape poverty for 1.5 years. For the cost of the tax cuts going to the top 20 percent of households in a single year, our nation could pay for our combined policies for more than four years. It's time to put children's welfare ahead of corporate welfare.

Hungry child,

I didn't make this world for you.

You didn't buy any stock in my railroad.

You didn't invest in my corporation.

Where are your shares in standard oil?

I made the world for the rich

And the will-be-rich

And the have-always-been-rich.

Not for you,

Hungry child.

— Langston Hughes, "God to Hungry Child"

Unwind the 2017 Tax Bill's Giveaways for the Rich

In 2017, Congress changed the tax code to give hundreds of billions of dollars to the wealthiest corporations and individuals in America. In 2018, the top 1 percent of households were projected to receive average tax cuts of about $33,000 while families below the poverty line were to get, on average, $40.[12] After a decade, the Tax Policy Center estimates 83 percent of the benefits of the tax bill will accrue to the wealthiest 1 percent.[13]

Proponents of the cuts said lower corporate rates would spur investment and economic growth, but this trickle-down theory has proven incorrect time and time again.[14] American companies had their taxes slashed, but many have been pocketing the money rather than reinvesting it in employees and communities. In the first year after their tax bill windfall, U.S. companies spent more than $1 trillion on stock buybacks to maximize value for wealthy shareholders.[15]

Congress spent an extraordinary amount of money to make the rich richer. In 2019 alone, these changes to the tax code are projected to cost $280 billion.[16] Over the coming decade, the changes will cost $1.9 trillion.[17] Just a partial restoration of the pre-2017 tax code would generate enough revenue to pay for CDF's $52.3 billion package to reduce child poverty now. For example:

- Repealing the 2017 tax bill would save **$280 billion** in 2019,[18] and it would save an average of **$190 billion** a year for the next decade.[19]
- Reinstating the pre-tax bill Alternative Minimum Tax rules alone would nearly pay for the entire package, saving about **$43 billion** annually on average for the next decade.[20]
- Restoring the top individual tax rate to 39.6 percent would save about **$14 billion** a year for the next decade.[21]
- Increasing the corporate tax rate from 21 to 25 percent would increase revenue by approximately **$36 billion** a year.[22]
- Eliminating the bonus depreciation program for corporations would save **$36.5 billion** in 2019.[23]

Make the Tax Code More Progressive

In 2017, the three richest men in America held more wealth than the entire bottom half of the country with a population of more than 323 million people.[24] The Forbes 400 held more wealth than the bottom 64 percent of people in America combined.[25] Inequality and wealth concentration have been rising since the 1980s; since then the fortunes of the fabulously wealthy have grown exponentially while median household income has remained stagnant. By increasing taxes on the super rich, Congress could address massive inequality and fund our policy package.

- Taxing the accumulated wealth of the richest 0.1 percent of Americans at a rate of one percent a year would increase federal revenues by about **$190 billion** a year, almost four times the cost to lift 5.5 million children out of poverty right now.[26]
- Taxing financial transactions like buying stocks and bonds at 0.1 percent of the value of the asset purchased would increase revenues by an average of **$78 billion** a year over a decade.[27]
- Taxing capital gains and dividends for the wealthy at the same rate as wages would save **$130 billion** a year.[28]
- Closing the "trust fund loophole" that forgives capital gains taxes on inherited investments would raise about **$40 billion** a year, almost all from the wealthiest 1 percent.[29]
- Scrapping the increased estate tax exemption for the wealthiest families would save more than **$8 billion** a year.[30]
- Closing the carried interest loophole would prevent wealthy investment managers from claiming earnings as capital gains and save about **$1.2 billion** a year.[31]

Fairly Tax the Nation's Wealthiest Corporations

Though they do business in the United States, benefit from American consumers and rely on the protection of American law, many huge corporations avoid paying taxes by stashing money outside the United States. The world's 500 largest companies currently hold $2.6 trillion in profits outside the United States to avoid U.S. taxes.[32] A study from the International Monetary Fund estimates our nation loses about $200 billion a year in tax revenue due to corporate tax avoidance.[33]

While the 2017 tax bill modified the law governing overseas profits to nominally incentivize moving money back into the United States, companies are mostly choosing not to repatriate their earnings.[34] Collecting taxes on the massive pool of overseas earnings requires a stronger tax policy.

Corporations Hiding Profits Overseas

Repatriating the offshore profits of Fortune 500 companies could increase revenue by almost **$200 billion** annually according to the International Monetary Fund.

- Apple is avoiding **$76.7 billion** in U.S. taxes,[35] enough to pay for our entire package to lift 5.5 million children out of poverty with nearly $25 billion to spare.
- Citigroup is avoiding **$13.1 billion** in U.S. taxes,[36] enough to help nearly 1.4 million children escape poverty.
- Nike is avoiding **$4.1 billion** in U.S. taxes,[37] enough to lift 430,000 children from poverty.
- PepsiCo and Goldman Sachs also hold tens of billions in profit overseas to avoid U.S. taxes but don't provide estimates of their potential tax liabilities.[38]

Reduce Military Spending

The United States Department of Defense will spend more than $686 billion in FY2019, an increase of more than $74 billion over FY2018.[39] This increase would fund CDF's entire package to lift 5.5 million children out of poverty now. The U.S. already spends more on the military than China, Russia, Saudi Arabia, India, France, the UK and Japan combined.[40] Military spending accounts for more than half of all discretionary federal spending, but minor changes could pay for reducing child poverty.

Reversing Congress's 2018 decision to sharply increase military spending would save **$160 billion** over two years. Even more modest changes could pay for this proposal. Reducing the Department of Defense's budget by just 10 percent would cut federal spending by an average of **$52 billion** a year over a decade.[41]

It's Time to Reorder Our National Priorities

America does not have a money problem—we have a profound values and priorities problem. Babies' survival needs should trump billionaires' and millionaires' greed. The richest nation on earth can and must provide enough for children with too little before padding the pockets of millionaires and billionaires with far more than their fair share of government assistance. Too many children face daily perils we can prevent and alleviate by making more just choices in our rich nation.

Professionals on the Frontlines of Child Poverty: Pediatricians

When policymakers fail to adequately fund housing vouchers or food assistance, their choices physically hurt children, according to Stephanie Ettinger de Cuba. Ettinger de Cuba is the executive director of Children's HealthWatch, a network of pediatricians, public health researchers and policy experts that collects and analyzes data from health care settings. "These policies don't happen in a vacuum," she told Greg Kaufmann in an article for The Nation, "They are written on the bodies and brains of the family."[42]

The network's peer-reviewed studies have examined how the experience of poverty harms children's health. Take, for example, its January 2018 report on housing instability.[43] Children's HealthWatch researchers evaluated how being behind on rent, multiple moves and homelessness related to caregiver and child health among low-income renter households. Families who faced any of these three forms of housing instability were found to be at risk of poor health, food insecurity and increased hospitalizations. As the number of unstable housing circumstances multiplied, so too did the risk of adverse health experiences.

The work of Children's HealthWatch and the experiences of pediatricians on the ground are clear. "In some ways we don't need more science to keep demonstrating that these [assistance] programs work," said Ettinger de Cuba. "We just need to fund them."[44]

CONCLUSION AND RECOMMENDATIONS

Ending child poverty is within our reach and the path forward is clear. By making work pay, supporting employment for those who can work and expanding safety net supports to ensure children's basic needs are met, our nation can reduce child poverty at least 57 percent and lift 5.5 million children out of poverty right now. This down payment on ending child poverty would cost federal and state governments $52.3 billion—less than 3 percent of the nearly $1.9 trillion spent on tax cuts for the wealthiest individuals and corporations.

Ending child poverty is not only right, it is smart and cost-effective. Protecting children against the lifelong consequences of poverty will benefit all of us. It will improve children's life outcomes and reduce child poverty in future generations. It will build a stronger economy, healthier workforce and larger tax base. And it will reduce the nearly $700 billion our nation loses each year because of child poverty.

Most importantly, lifting millions of children out of poverty now would give them the opportunity to thrive. They could focus on homework instead of working to supplement their parents' income. They'd no longer have to go without the food they need to be healthy and able to learn. They wouldn't have to worry about having a stable place to live or spend their nights getting tucked into car seats or homeless shelters. Providing jobs and making work pay more would mean parents can do what they most want to do: earn enough to care and provide for their children.

> **Our wealthy and powerful nation must give all children the opportunity to reach their full potential.**

Let's act now to end child poverty in America. Congress can begin by enacting the following federal policy improvements to lift 5.5 million children out of poverty and make a substantial down payment on ending child poverty for all children:

1. Create transitional jobs for unemployed and underemployed individuals ages 16-64 in families with children.

2. Increase the minimum wage from $7.25 to $15.00 by 2024.

3. Increase the Earned Income Tax Credit for lower-income families with children.

4. Make the Child Tax Credit fully refundable with additional benefits for families with young children.

5. Make child care subsidies available to all eligible families below 150 percent of poverty with no co-pays.

6. Make the Child and Dependent Care Tax Credit refundable with a higher reimbursement rate.

7. Determine Supplemental Nutrition Assistance Program (SNAP) benefits based on USDA's Low-Cost Food Plan for families with children and increase benefits by 31 percent.

8. Make housing vouchers available to all households with children below 150 percent of poverty for whom fair market rent exceeds 50 percent of their income.

9. Require child support to be fully passed through to families receiving Temporary Assistance for Needy Families (TANF), fully disregarded for TANF benefits and partially disregarded for SNAP benefits.

Congress isn't the only place where action is needed. Many of these policies and programs have state and local counterparts that can progress without federal action (see Appendix 1 for more information). States, counties, cities and towns can set an example for our entire nation. California, New York, New Jersey, Massachusetts and Washington, DC are already on track to raise the minimum wage to $15.00. In 2015 California passed a state Earned Income Tax Credit and continues to expand it. Mississippi and Louisiana have seen pushes for the creation of state level Earned Income Tax Credits.

It is up to all of us—parents, grandparents, teachers, students, faith leaders and advocates—to create a call to end child poverty so widespread and resonant it cannot be ignored. There is no excuse for inaction. Every community and individual concerned about our children's future must stand up and call for steps to end child poverty now.

Children only have one childhood, and for millions of them, it is right now. Helping more of today's children escape poverty is an urgent moral imperative, and as this report shows, it is an achievable one. Children facing hunger, homelessness and hopelessness cannot wait another decade for our nation to help them. We can and must get started immediately.

Join the Movement to End Child Poverty Now

- Share this report. We already know how to reduce child poverty and must invest more in what works.

- Work with others in your community to engage poor families and children and identify their needs. Document and uplift efforts underway to address child poverty.

- Send letters to Congress highlighting the need to end child poverty now, sharing stories and encouraging them to consider the policy improvements outlined in this report.

- Urge leaders to commit to ending child poverty as 2019 and 2020 campaigns get underway. There should be nothing partisan about ending human and economic harms to our children and our nation.

- Attend town halls or community meetings and ask local leaders what steps they are taking to end child poverty.

- Encourage local faith institutions to work together to educate and agitate about ending child poverty.

- Reach children in poverty by sponsoring or volunteering at a CDF Freedom Schools® site in your community. Contact us at freedomschools@childrensdefense.org to learn how you, your employer or your congregation can establish one.

- Visit www.childrensdefense.org/ending-child-poverty-now and join the movement to end child poverty now.

APPENDICES

State Policies Related to CDF Policy Recommendations as of January 2019

State	Min. Wage (as of April 2019)	EITC Tax Year 2018	CTC Tax Year 2018	CDCTC Tax Year 2018	Child Care Subsidy Income Limit (as % of federal poverty guidelines)	Child Support Passed Through and Disregarded for TANF
Alabama	None*	No	No	No	128%	
Alaska	$9.89	No	No	No	298	$50****
Arizona	11.00	No	No	No	162	
Arkansas	9.25	No	No	Yes	211	
California	12.00	Yes	Yes	Yes	251	$50
Colorado	11.10	Yes	Yes	Yes	162-307	All
Connecticut	10.10	Yes	No	No	223	$50
Delaware	8.75	Yes	No	Yes	197	$50
District of Columbia	13.25	Yes	No	Yes	246	$150
Florida	8.46	No	No	No	147	
Georgia	5.15*	No	No	Yes	143	Unmet need/All
Hawaii	10.10	Yes	No	Yes	227	
Idaho	7.25	No	Yes	No	128	
Illinois	8.25	Yes	No	No	182	$100-$200
Indiana	7.25	Yes	No	No	125	
Iowa	7.25	Yes	No	Yes	143	
Kansas	7.25	Yes	No	Yes	182	
Kentucky	7.25	No	No	Yes	157	
Louisiana	None*	Yes	No	Yes	155	
Maine	11.00	Yes	No	Yes	271	$50 plus unmet need/All
Maryland	10.10	Yes	No	Yes	144	
Massachusetts	12.00	Yes	No	No	223	$50
Michigan	9.45	Yes	No	No	128	
Minnesota	9.86	Yes	No	Yes	183	All/$100-$200
Mississippi	None*	No	No	No	207	
Missouri	8.60	No	No	No	134	
Montana	8.50	Yes	No	No	146	$100
Nebraska	9.00	Yes	No	Yes	128	
Nevada	8.25	No	No	No	128	
New Hampshire	7.25	No	No	No	216	
New Jersey	8.85	Yes	No	Yes	197	$100
New Mexico	7.50	Yes	No	Yes	197	$100
New York	11.10	Yes	Yes	Yes	197	$100-$200
North Carolina	7.25	No	Yes	No	197	
North Dakota	7.25	No	No	No	220	
Ohio	8.55	Yes	No	Yes	128	
Oklahoma	7.25	Yes	Yes	Yes	169	
Oregon	10.75	Yes	No	Yes	182	$50-$200
Pennsylvania	7.25	No	No	No	197	$100-$200
Rhode Island	10.50	Yes	No	Yes	177	$50
South Carolina	None*	Yes	No	Yes	150	Unmet need/All
South Dakota	9.10	No	No	No	179	
Tennessee	None*	No	No	No	230	Unmet need/All
Texas	7.25	No	No	No	147-249	
Utah	7.25	No	No	No	176	
Vermont	10.77	Yes	No	Yes	295	All/$50
Virginia	7.25	Yes	No	***	147-246	$100
Washington	12.00	Yes**	No	No	197	
West Virginia	8.75	No	No	No	147	$100-$200
Wisconsin	7.25	Yes	No	No	182	75% of child Support collected/All
Wyoming	5.15*	No	No	No	184	

*No state minimum wage is set below federal minimum wage so $7.25 applies to employees covered under the federal Fair Labor Standards Act.

**Washington's EITC passed in 2008; never funded, not yet implemented.

***Virginia does not have a state CDCTC but does have a deduction for child care expenses based on federal CDCTC.

****Single number denotes same amount passed through and disregarded.

Modeling Details and Individual Impacts of Policy Improvements

This appendix contains additional detail on how the Urban Institute modeled the anti-poverty effects and costs of each proposed policy improvement. See the Urban Institute's full technical report for more details on modeling considerations and the research that informed these modeling considerations.

The Urban Institute modeled the one-year impact of the proposed policy improvements using TRIM3, a validated microsimulation model of the tax and benefits programs affecting U.S. households. TRIM3— which models the U.S. non-institutionalized population based on U.S. Census and federal program and tax data—is a well-respected tool used for over 40 years to assess the operation of the U.S. safety net and to estimate the potential impacts of changes to safety net programs and policies. The model is developed and maintained by staff at the Urban Institute with funding primarily from the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation.

TRIM3 requires users to input assumptions and interpretations about economic behavior and the rules governing federal programs. Therefore, the quantitative estimates are attributable only to the authors of the Urban Institute analysis, and interpretations of those estimates are attributable only to the authors of this report.

This analysis was based on data representing the U.S. in 2015, the most recent year for which data were available for use within TRIM3 at the time the modeling was done. All policies in place in 2015 were assumed to be in effect in the simulation. The estimated anti-poverty effects and costs therefore reflect the single-year impact these policies would have had if they had been fully implemented in 2015.

Estimates of the effects of tax policy changes are based on tax units. Tax units are sufficiently similar to families that we use the term families throughout the report.

Cost estimates listed in this report reflect net costs (or revenues) to the federal and state governments based on changes in SSI, TANF, SNAP, unemployment compensation, public/subsidized housing, LIHEAP, WIC, CCDF benefits paid to recipients and changes in tax liabilities and credits. The majority of costs are federal; however, state costs for unemployment compensation, SSI, TANF and CCDF are also included, as well as state tax liabilities and credits. Costs do not include any administrative costs or macroeconomic implications and are in 2015 dollars.

Below are the specific policy designs and modeling considerations for each policy included in this report.

Publicly-Funded Transitional Jobs for Families with Children

Modeling Considerations — The Urban Institute modeled a transitional jobs program that would provide minimum-wage jobs to unemployed or underemployed individuals ages 16-64 in families with children for 30 weeks at a time, with a possibility of a renewal after four weeks of searching for unsubsidized employment. Families were defined broadly to include all related people living in a household; a parent and a grandparent living with a child would be eligible for transitional employment. Due to a requirement that work participants have a Social Security number, this program did not benefit unauthorized immigrants.

Urban assumed no more than 25 percent of non-working adults in poor families would sign up. Studies of past transitional jobs programs found take-up rates up to 15 percent, but this program would be broader than past programs. Urban also assumed take-up rates would be lower for higher-income

individuals, part-time workers, students, early retirees, people with disabilities and people not working due to family responsibilities. About 58 percent of program participants were projected to want full-time (40 hours per week) jobs and 42 percent to want part-time (20 hours per week) jobs. This estimate is based on the existing distribution of full- and part-time workers in SPM poverty.

It was assumed funds would be available to provide child care subsidies to families who became newly eligible after taking a transitional job.

Child Poverty Impact — This transitional jobs program would reduce child poverty by 8.6 percent and lift more than 800,000 children out of poverty. The deep poverty rate would fall by 14 percent. A total of 2.1 million people in families with children would either start to work or be able to work more through the program. These people would earn on average an additional $12,041 for the year, although some of the additional income would be offset by increased taxes and decreased government benefits.

Cost — Providing 2.1 million new subsidized jobs would cost $23.1 billion after taking into account associated changes in benefits and tax revenues. This estimate includes $25.6 billion that would be paid out by the government in wages and an additional $2.6 billion in employer payroll taxes. Federal spending on child care subsidies would also rise. These new costs would be offset somewhat by new taxes paid by transitional job workers.

$15 Hourly Minimum Wage

Modeling Considerations — The Urban Institute modeled an increase of the federal minimum wage from $7.25 an hour to $15.00 for workers covered by the Fair Labor Standards Act (FLSA) and to 70 percent of that level ($10.50) for tipped workers by 2024. To model the effects of this policy at full implementation using 2015 data, the new minimum wage rates were deflated from 2024 dollars to 2015 dollars, resulting in a wage of $12.29 an hour for most workers and $8.61 for tipped workers. Deflating minimum wages from 2024 dollars to 2015 dollars ensured that the earnings of a full-time, year-round minimum-wage worker in the 2015-based analysis would be equal to the earnings of a minimum wage worker earning the $15.00/$10.50 minimum wage in 2024.

Urban's analysis assumed employers would also raise wages for some workers whose wages would not legally have to be increased because their current wage is somewhat below or above the new minimum wage. Modeling these so-called "spillover" effects helps account for how some employers adjust wage rates to maintain relative wages. To compute the spillover range, this analysis used the approach taken by the Congressional Budget Office's 2014 analysis of a hypothetical minimum wage increase. In states currently using the federal minimum wage, the CBO spillover assumption results in workers earning $9.77 and $14.81 seeing wage increases beyond the new $12.29 minimum wage. Note that the dollar amounts mentioned here are all deflated to the 2015 dollars of the survey data.

Urban assumed an increase in the minimum wage would lead to job losses of the same magnitude (relative to the wage increase) assumed by the Congressional Budget Office. The CBO assumed that overall adult employment would fall by 0.33 percent for every 10 percent increase in the minimum wage. Economic literature on the employment effects of raising the minimum wage is varied, with some studies finding no job loss and other studies finding impacts ranging from a few percent to about one-quarter of the percentage change in earnings.

Child Poverty Impact — A minimum wage increase would reduce child poverty by 8.3 percent and lift nearly 800,000 children out of poverty, after accounting for spillover effects and job loss. Among children living with a full-time year-round worker, child poverty would be reduced 18.6 percent. An estimated 16.5 million workers in families with children would see an average increase in earnings of $3,201, while 700,000 people would lose their jobs. Among all workers with and without children, 42.3 million would experience increases in earnings and 1.5 million would lose their jobs.

Cost — The minimum wage hike would increase government revenue by $37.9 billion. The wage increase was projected to generate tax revenue due to families with higher wages owing more in taxes; in addition, many families with higher wages would be eligible for less government assistance. The simulation also accounted for the fact that people losing jobs might become eligible for increased benefits and owe less in taxes. Overall, tax revenue would grow by $40.4 billion and the overall cost of benefits would increase by $2.5 billion; unemployment compensation was projected to increase by $8.1 billion while SNAP, housing subsidies, SSI benefits, TANF benefits, child care subsidies, LIHEAP and WIC were expected to experience cost reductions.

This model implicitly assumes no direct cost to the government of higher wages, except with respect to the transitional jobs program below. To the extent that some government jobs pay less than $15 per hour, the government would experience some increase in wage costs, reducing this revenue figure.

Increased Earned Income Tax Credit for the Lowest Income Adults with Children

Modeling Considerations — The Urban Institute modeled a change to the Earned Income Tax Credit (EITC) that increases its value for the lowest-income adults with children. The phase-in rates, phase-out rates and maximum credit value would change as shown in the table below.

Filing status	Children	2015 Baseline Values				
		Phase-in rate	Plateau begins	Max credit	Plateau ends	Phase-out rate
Single	0	7.65%	$6,580	$503	$8,240	7.65%
	1	34.00	9,880	3,359	18,110	15.98
	2	40.00	13,870	5,548	18,110	21.06
	3+	45.00	13,870	6,242	18,110	21.06
Joint	0	7.65	6,580	503	13,760	7.65
	1	34.00	9,880	3,359	23,630	15.98
	2	40.00	13,870	5,548	23,630	21.06
	3+	45.00	13,870	6,242	23,630	21.06
Filing status	Children	CDF Proposal				
		Phase-in rate	Plateau begins	Max credit	Plateau ends	Phase-out rate
Single	0	7.65%	$6,580	$503	$8,240	7.65%
	1	68.00	6,484	4,409	11,541	15.98
	2	74.00	8,875	6,567	13,269	21.06
	3+	79.00	10,300	8,137	15,199	25.00
Joint	0	7.65	6,580	503	13,760	7.65
	1	68.00	6,484	4,409	17,061	15.98
	2	74.00	8,875	6,567	18,789	21.06
	3+	79.00	10,300	8,137	20,640	24.94

EITC Amounts for Single Filer with One Child Under Actual and Proposed Policies, 2015

Credit ($)

Legend: ····· Baseline — CDF Proposal

Earnings ($)
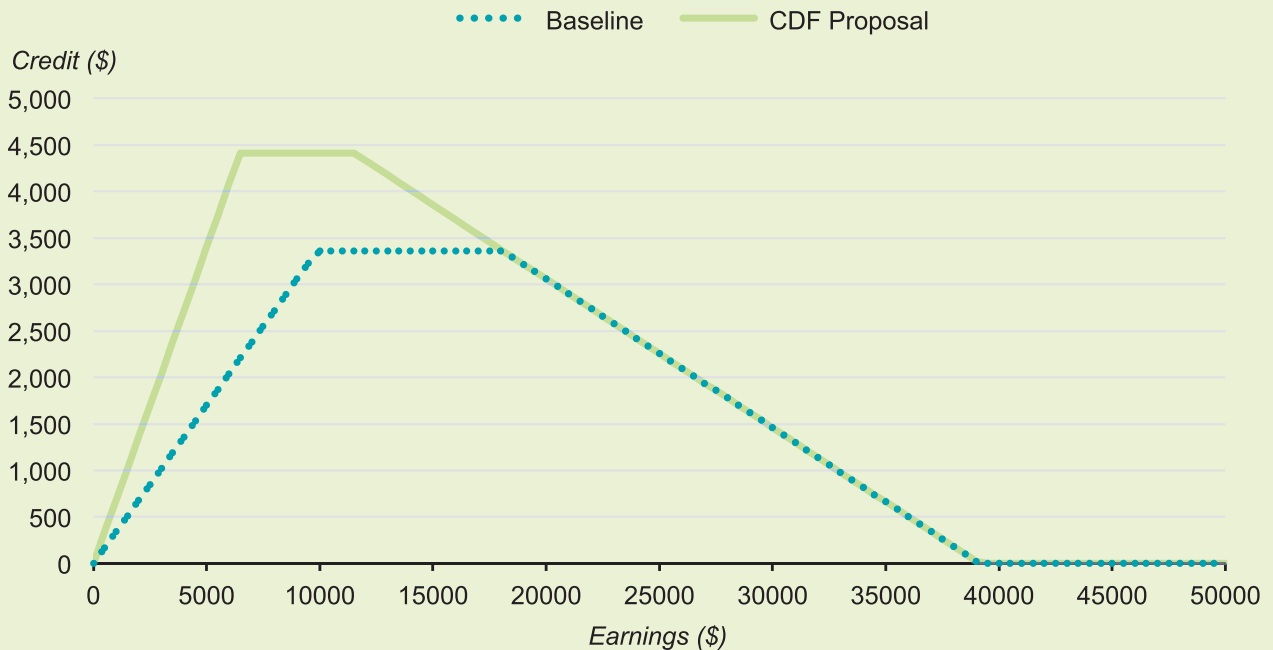
The Urban Institute assumed a roughly $1,500 increase in the maximum credit would encourage a 4.5 percentage point increase in labor supply for family heads, following the econometric estimates of the impact of an increase in the EITC on employment. Individuals simulated to take new jobs were assigned weeks of work, hours-per-week and hourly wage based on average job characteristics of employed unmarried mothers taking the EITC in 2015.

Because of this project's focus on families with children, the Urban Institute's simulated improvements do not include an increase in the credit for childless adults. While we recognize that expanding the EITC for childless workers is also important for noncustodial children, children whose older siblings are contributing to family income and children in other complex family situations, it was not possible to model the impact of the EITC expansion on these children because the TRIM3 model has no way to link childless adults to non-custodial children.

***Child Poverty Impac*t** — These EITC improvements would reduce child poverty nearly 12 percent and lift more than 1 million children out of poverty. But the anti-poverty effect of the EITC expansion is likely underestimated because most models undercount the number of people eligible for the EITC relative to the number of people who actually claim it.

The number of families estimated to receive the EITC in the TRIM3 baseline is 29.8 percent lower than the number who actually claim the credit, according to IRS data. Some portion of the underestimation is attributable to the fact that TRIM3 does not model noncompliance with EITC rules. Other possible explanations are that the model does not allocate children within complex households so as to maximize tax benefits and does not capture the fact that some survey-reported earnings are non-taxable (thereby lowering earnings sufficiently for a family to be eligible for the EITC). Survey sampling and weighting might also play a role.

Nearly half of the anti-poverty impact would come from 454,000 parents starting to work, earning on average $18,425 annually and receiving an EITC worth on average $4,351 for families with two or more children.

Cost — The cost of these EITC improvements and associated secondary changes in other benefits and tax revenues in 2015 would be $8.4 billion.

Fully Refundable Child Tax Credit with Extra Benefits for Young Children

Modeling Considerations —The Urban Institute modeled changes to the Child Tax Credit including lowering the earnings eligibility threshold from $2,500 to $1 and increasing the refundable portion of the credit from $1,400 per child to $2,000 per child. For children from birth to age 5, the credit would phase in at a rate of 50 cents per dollar earned. For children over 5, the credit would still phase in at the current rate of 15 cents per dollar earned. The credit would begin to phase out for individuals earning over $75,000 and married couples earning over $110,000 to more progressively allocate resources.

Child Poverty Impact — Making the CTC fully refundable and beginning refundability with the first dollar of earnings would broaden eligibility and boost the value of the credit for the poorest working families. However, we cannot reliably estimate the anti-poverty impact of our CTC improvements using TRIM3 because of major changes made to the CTC by the Tax Cut and Jobs Act of 2017.

The model used by the Urban Institute estimates the anti-poverty effects of our proposals by comparing them with the federal policy on the books in the most recent year in which comprehensive data are available, 2015 in this case. For the other policies proposed here this is not a problem because existing federal policy is similar to 2015 law and, therefore, we can expect the impact of implementing such policies today to be similar to the impact of implementing them in 2015. The CTC, on the other hand, was changed dramatically by the 2017 tax law, making estimates based on a 2015 policy baseline irrelevant to present day.

The 2017 tax bill resulted in several changes to the Child Tax Credit, increasing the value of the credit from $1,000 to $2,000 per child, increasing the refundable portion of the credit to $1,400 and expanding eligibility for the full CTC to families making as much as $400,000. Because CDF's proposal would modify the current CTC by making it more generous for and more widely available to the poorest working families, we believe it would have a stronger anti-poverty effect than existing law.

Cost — As mentioned above, policy established by the 2017 tax law complicates the task of modeling the impact and cost of the CDF proposal in TRIM3. However, after modeling both CDF's proposal and the modifications made by the 2017 tax bill against the 2015 policy baseline, we believe our proposal would cost about $5 billion less per year than the current CTC.

When measured against the 2015 policy baseline, the Child Tax Credit modifications made by the 2017 tax bill were estimated to increase the cost of the CTC by $57 billion. This cost estimate is supported by the Joint Committee on Taxation's December 2017 estimates of the budget effects of the Tax Cuts and Jobs Act. Using the same simulation methodology, CDF's CTC modification was estimated to increase the cost of the CTC by $52 billion. Therefore, replacing the current CTC with CDF's proposed CTC would likely save about $5 billion per year. This cost projection makes theoretical sense because, even though our proposal is more generous for lower-income families, it offsets new costs by returning the maximum income eligibility thresholds to pre-2017 levels, thereby making many higher-income families ineligible for the CTC.

Expanded Child Care Subsidies with No Co-pays

Modeling Considerations — The Urban Institute modeled an expansion of the federal child care subsidy program to provide assistance to all families at or below 150 percent of the federal poverty guidlines and exempt those families from any co-pays. Although current eligibility varies by state, to simplify the analysis we selected a uniform income limit of 150 percent of the poverty guidelines used to determine eligibility for certain federal programs. Poverty guidelines differ from poverty thresholds. Poverty thresholds are determined by the Census Bureau and are used to prepare estimates of the number of people in America living in poverty each year. Poverty guidelines, on the other hand, are issued by the Department of Health and Human Services and used for administrative purposes, such as for determining eligibility for certain federal programs. The use of 150 percent of the poverty guidelines acknowledged that 100 percent of poverty is often far below what families and children need. Thirty-six states have already made families at or below 150 percent of the poverty guidelines eligible for child care subsidies.

In addition to expanding the availability of subsidies, the analysis assumed a small fraction of adults with children would start working because of increased availability of subsidies. Surveys of the economic literature on child care subsidies and employment impacts find uncertainty about the effects of child care costs on employment. The Urban Institute estimated that 400,000 unmarried mothers and 29,000 married mothers would begin to work. Families who began work were assigned jobs at weeks of work, hours-per-week and hourly wage based on averages seen in the survey data.

Not all eligible families were assumed to use assistance. Some families, for example, have access to less expensive or no-cost child care arrangements, such as grandparents who provide care for free. Thus, the Urban Institute modeled a 50 percent take-up rate among families who were eligible but not receiving a subsidy prior to the policy change.

Child Poverty Impact — The child care subsidy expansion, with employment effects included, would reduce child poverty by 7.6 percent, lifting more than 700,000 children out of poverty. Almost 80 percent of that reduction would come from affordable child care helping 431,000 adults gain employment. Overall, the number of families receiving child care subsidies would more than triple, from an average of 834,000 per month to a total of 3 million.

Cost — This expansion of the child care subsidy and associated secondary changes in benefits and tax revenues would cost a total of $15.5 billion.

Expanded Child and Dependent Care Tax Credit

Modeling Considerations — Urban modeled making the Child and Dependent Care Tax Credit (CDCTC) fully refundable to enable all families, regardless of tax liability, to benefit from it and increasing the maximum percent of costs reimbursed from 35 to 50 percent for lower-income families. The modeled reimbursement schedule is shown in the table below.

Proposed Changes to CDCTC Reimbursement Schedule

Baseline Schedule		CDF Proposed Schedule	
AGI	**Rate**	**AGI**	**Rate**
0 — $15,000	35%	0 — $25,000	50%
15,000 — $17,000	34	25,000 — $27,000	47
17,000 — 19,000	33	27,000 — 29,000	44
19,000 — 21,000	32	29,000 — 31,000	41
21,000 — 23,000	31	31,000 — 33,000	38
23,000 — 25,000	30	33,000 — 35,000	35
25,000 — 27,000	29	35,000 — 37,000	32
27,000 — 29,000	28	37,000 — 39,000	29
29,000 — 31,000	27	39,000 — 41,000	26
31,000 — 33,000	26	41,000 — 43,000	23
33,000 — 35,000	25	43,000 — No limit	20
35,000 — 37,000	24		
37,000 — 39,000	23		
39,000 — 41,000	22		
41,000 — $43,000	21		
43,000 — No limit	20		

Note: AGI = adjusted gross income

Child Poverty Impact — These improvements would reduce child poverty by 4 percent, lifting nearly 400,000 children out of poverty. The anti-poverty impact of the CDCTC is likely limited by the fact that many poor families cannot afford to spend large amounts on child care even when additional assistance is available to them. The Urban Institute found only a small fraction of those who received a larger CDCTC would start working due to lower child care costs. A parent's probability of taking a job was assumed to be one-fifth as large as the percentage reduction in the cost of child care. Urban assumed there would be no increase in funding for CCDF subsidies to accompany the CDCTC increase, meaning no new families would receive child care subsidies.

Cost — These changes to the CDCTC and associated secondary changes in benefits and taxes would cost a total of $1.7 billion.

Increased SNAP Benefits

Modeling Considerations — The Urban Institute modeled calculating SNAP benefits for families with children based on the U.S. Department of Agriculture's Low-Cost Food Plan, which would increase benefits by about 31 percent compared to the Thrifty Food Plan on which benefits are currently based. The Low-Cost Food Plan assumes use of different foods, higher quality of food and higher overall costs. Urban simulated the SNAP benefit increase by increasing the 2015 maximum allotments by the percentage by which the Low-Cost Food Plan exceeds the Thrifty Food Plan for a reference family type.

Child Poverty Impact — Calculating SNAP benefits based on the Low-Cost Food Plan would reduce child poverty by nearly 16 percent, lifting more than 1.5 million children out of poverty. All of the existing 9.5 million SNAP families with children would benefit and an additional 1.2 million families with children would begin participating because of the SNAP increase. On average, households with children would receive an additional $128 per month.

Cost — The SNAP expansion would cost $21.7 billion.

Expanded Housing Vouchers for Low-Income Renters

Modeling Considerations — The Urban Institute modeled an expansion of housing vouchers for families with children below 150 percent of the official poverty guidelines who were not already receiving housing assistance and for whom the fair market rent exceeded 50 percent of their income. This differs in two ways from current housing voucher program policies. First, under current law, households are eligible for a voucher if their income is less than half of the area median income (AMI). Since the AMI varies across the country, the income limit for the proposed expansion could be higher or lower than the existing program's income limit depending on the area of the country. Second, this analysis included a rent burden test, requiring that the fair market rent exceed 50 percent of families' income to target vouchers to families with the highest need. Most public housing authorities do not use such a test.

Households with children were considered eligible for this program if they were not already in public or subsidized housing, they rent their home and their household contained at least one legal resident of the United States. This analysis assumed only 70 percent of eligible families would be able to use the vouchers given the challenges families face in finding housing within program time limits.

In effect, for families receiving new vouchers, rent payments were reduced from at least 50 percent of family income to no more than 30 percent of family income.

Child Poverty Impact — This housing voucher expansion would have the largest impact among the proposed policy improvements, reducing child poverty by 21.9 percent and lifting 2.1 million children out of poverty. The number of households with children receiving a subsidy would increase by 2.4 million—a 46 percent increase. On average, each of these households would receive a subsidy worth $10,152.

Cost — The cost of this expansion and associated secondary changes in other benefits would be $22.3 billion.

Child Support Pass-Through and Disregard

Modeling Considerations — The Urban Institute modeled a full pass-through of all child support collected on behalf of families receiving Temporary Assistance for Needy Families (TANF) benefits, along with a disregard of the child support income in the calculation of TANF benefits. In addition, up to $100 of child support collected per month per child was disregarded for SNAP eligibility and benefit calculations.

Child Poverty Impact — These changes would reduce child poverty by less than 1 percent and lift approximately 51,000 children out of poverty, but the gains are important for families that depend on child support and the non-custodial parents, often low-income themselves, who make the payments. Overall, TANF families would receive $116 million more in passed-through child support and $514 million more in SNAP benefits from the new SNAP disregard. The model could underestimate the effectiveness of this policy somewhat because the underlying data likely undercounts the amount of child support paid on behalf of families receiving TANF because families may not report child support payments recouped by the state as income. The benefit from this proposal may also be understated because it does not reflect potential behavioral impacts. Some research suggests noncustodial parents are encouraged to increase payments when they know the payments will reach their children instead of the state.

Cost — The child support pass-through improvements and associated secondary changes in benefits would cost $1 billion.

Comparison of the Official and Supplemental Poverty Measures

The following table compares the official poverty measure and the Supplemental Poverty Measure (SPM) in terms of the family resources and expenses included, and how the poverty thresholds are calculated.

Table A3.1. Resource and Threshold Definitions in the Official and Supplemental Poverty Measures

Concepts	Official Poverty Definition	Supplemental Poverty Measure (SPM)
Resources	Cash Income, composed of: Wages, salaries and self-employment income Interest, dividends, rent, trusts Social Security & Railroad Retirement Pensions Disability benefits Unemployment compensation Child support received Veterans benefits Educational assistance (grants) Supplemental Security Income Temporary Assistance for Needy Families Other cash public assistance	Cash Income — Same as components shown for "official" measure Plus: 　Food Stamps/SNAP 　WIC 　School lunch 　Housing subsidies 　LIHEAP 　Federal EITC 　State EITC 　State tax credits Minus: 　Payroll taxes 　Federal income taxes 　State income taxes 　Child care expenses 　Other work expenses 　Medical out-of-pocket expenses 　Child support paid
Thresholds	National thresholds vary by age (less than 65 and 65+) and number of children and adults and are based on the cost of food.	Thresholds vary by number of children and adults and by housing status (rents, owns with mortgage or owns without mortgage), and are based on the cost of food, clothing, shelter and utilities. Geographic adjustments are applied to the housing portion of the threshold.

Source: Sarah Minton, Linda Giannarelli, Kevin Werner, and Victoria Tran. 2019. "Reducing Child Poverty in the US: An Updated Analysis of Policies Proposed by the Children's Defense Fund." Washington, DC: Urban Institute.

Table A3.2. Number and Percent of Children in SPM Poverty by Selected Characteristics, 2015 (TRIM3-adjusted data)

	SPM poverty rate	Number of poor children	Percent of poor children
All Children (under age 18)[1]	13.0%	9,633,000	100%
By Age			
<=2	13.6	1,621,000	17
3-5	14.2	1,683,000	17
6-12	12.6	3,656,000	38
13-17	12.6	2,673,000	28
By Race/Ethnicity			
White	7.9	3,008,000	31
Black	17.8	1,830,000	19
Hispanic	21.7	3,970,000	41
Other races	11.1	824,000	9
By Family Composition[2]			
In families with any non-elderly or non-disabled adults	12.1	8,693,000	90
At least one adult is a FY-FT worker	6.5	3,823,000	40
No FY-FT adults, at least one adult is PY or PT	27.4	2,815,000	29
No working adults, all adults are students	53.1	211,000	2
No working adults, at least 1 non-student adult	68.1	1,845,000	19
In families with only elderly or disabled adults	38.8	812,000	8
In families without adults	80.0	128,000	1
By Metropolitan Status			
Metropolitan area	13.3	8,482,000	88
Non-metropolitan area	11.1	1,151,000	12
By Region			
Northeast	12.8	1,529,000	16
South	14.4	4,080,000	42
Midwest	9.6	1,507,000	16
West	14.0	2,517,000	26

[1] All people under age 18 are considered to be children, even if married or living separately from parents.
[2] Elderly adults are those aged 65 and over. Disabled adults are identified based on reason for not working and receipt of disability income. Full-time (FT) workers are defined as working 35 or more hours per week and full-year (FY) workers work 50 or more weeks, while part-time (PT) and part-year (PY) workers are those working at least one week and one hour but not FT or FY. Students are those who say they are not working because they are in school. A metropolitan area has a core urban area population of 50,000 or more and includes adjacent counties with a high degree of social and economic integration with the urban core.

Appendix 4 Detailed Child Poverty Impacts

Table A4.1. Reductions in Child SPM Poverty by Race/Ethnicity					
	Hispanic	**White**	**Black**	**Other**	
All Policy Changes, excluding CTC	-59.0%	-51.8%	-65.4%	-49.4%	
Housing Subsidy Expansion	-26.5	-14.6	-25.9	-17.5	
SNAP Increase	-13.4	-17.3	-18.8	-15.6	
Child Tax Credit Increase	—	—	—	—	
Transitional Jobs	-7.1	-10.4	-8.5	-9.5	
EITC Increase	-9.3	-13.0	-14.3	-11.9	
Minimum Wage Increase	-10.3	-6.3	-7.4	-7.4	
Child Care Subsidy Expansion	-7.8	-7.7	-8.0	-4.9	
CDCTC Increase	-3.6	-4.9	-3.9	-3.9	
Child Support Pass-Through	-0.4	-0.4	-1.4	0.0	

Table A4.2. Reductions in Child SPM Poverty by Age							
	≤2	**3-5**	**6-12**	**13-17**	**18-64**	**65+**	**All Ages**
All Policy Changes, excluding CTC	-54.6%	-61.5%	-59.3%	-53.0%	-24.6%	-4.4%	-29.2%
Housing Subsidy Expansion	-21.8	-22.6	-24.6	-17.7	-6.6	-0.9	-9.4
SNAP Increase	-16.0	-15.6	-16.3	-15.1	-5.0	-1.0	-6.9
Child Tax Credit Increase	—	—	—	—	—	—	—
Transitional Jobs	-6.5	-7.3	-8.1	-11.3	-3.7	-0.5	-4.4
EITC Increase	-13.7	-12.4	-12.7	-8.4	-3.5	-0.4	-4.9
Minimum Wage Increase	-9.8	-10.3	-7.5	-7.2	-8.6	-2.0	-7.5
Child Care Subsidy Expansion	-9.4	-9.8	-8.9	-3.2	-1.8	-0.1	-2.9
CDCTC Increase	-4.4	-4.3	-5.1	-2.2	-1.1	-0.1	-1.7
Child Support Pass-Through	-0.2	-0.5	-0.8	-0.4	-0.1	0.0	-0.2

Table A4.3. Reductions in Child SPM Poverty by Urbanicity and Geographic Region

	Urbanicity		Region				
	Non-metro	Metro	Midwest	South	Northeast	West	
All Policy Changes, Excluding CTC	-57.0%	-57.2%	-55.0%	-58.0%	-58.3%	-56.4%	
Housing Subsidy Expansion	-11.4	-23.3	-19.9	-17.6	-24.0	-28.8	
SNAP Increase	-24.3	-14.7	-17.8	-17.8	-11.0	-14.4	
Child Tax Credit Increase	—	—	—	—	—	—	
Transitional Jobs	-10.7	-8.3	-11.8	-8.4	-6.6	-8.2	
EITC Increase	-17.2	-10.9	-14.3	-12.9	-8.8	-9.7	
Minimum Wage Increase	-9.0	-8.2	-5.4	-10.8	-6.9	-6.7	
Child Care Subsidy Expansion	-8.4	-7.4	-9.6	-7.3	-8.8	-6.0	
CDCTC Increase	-8.1	-3.5	-4.6	-3.8	-5.4	-3.3	
Child Support Pass-Through	-0.5	-0.5	0.0	-0.8	-0.1	-0.6	

Table A4.4. Comparison of Child SPM Poverty Impacts at the National Level and in New York, Florida, Texas and California

	National	NY	FL	TX	CA	
Baseline child poverty	9.6 million (13.0%)	0.6 million (14.6%)	0.8 million (17.8%)	1.1 million (14.8%)	1.6 million (17.0%)	
All Policy Changes, Excluding CTC	-57.1%	-58.3%	-62.4%	-57.1%	-59.2%	
Housing Subsidy Expansion	-21.9	-27.1	-25.8	-20.0	-36.7	
SNAP Increase	-15.8	-12.0	-18.4	-14.2	-12.9	
Child Tax Credit Increase	—	—	—	—	—	
Transitional Jobs	-8.6	-7.8	-9.8	-7.5	-9.7	
EITC Increase	-11.6	-11.5	-8.7	-12.3	-7.6	
Minimum Wage Increase	-8.3	-4.5	-9.7	-15.5	-5.6	
Child Care Subsidy Expansion	-7.6	-12.2	-4.2	-6.7	-5.6	
CDCTC Increase	-4.1	-10.0	-3.7	-2.5	-2.6	
Child Support Pass-Through	-0.5	-0.4	-1.3	0.0	-0.8	

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Chapter 3

1 The aggregate drop in the total number of poor children relative to the baseline is 5.5 million. A total of 5.6 million children become non-poor, and 92,000 children move from being non-poor to poor because of the job loss modeled as part of the minimum wage increase.

2 Children in deep poverty were less likely than children between 50 and 100 percent of the poverty line to benefit from this package. Immigration may also explain why some children would remain poor. Many policies and programs included in this analysis only benefit citizens and authorized immigrants who have been in the U.S. for a minimum of five years.

3 The minimum wage would lead to job losses. For more on how job losses were modeled, see Appendix 2.

4 HHS/ASPE holds the copyright to the CPS version of the model, which is used for this analysis, but allows the model to be used for other projects. TRIM3 requires users to input assumptions and/or interpretations about economic behavior and the rules governing federal programs. Therefore, the quantitative estimates are attributable only to the authors of the Urban Institute analysis, and interpretations of those estimates are attributable only to the authors of this report.

5 The Urban Institute's full report can be found at CDF's website, or https://www.urban.org/research/publication/reducing-child-poverty-us-updated-analysis-policies-proposed-childrens-defense-fund.

Chapter 4

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