Supporting Young Children: Addressing Poverty, Promoting Opportunity and Advancing Equity in Policy

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Introduction

Young children are the most likely to experience poverty among all age groups in the U.S. Although slightly reduced from recent years, the number and proportion of children under age six who experience poverty has remained consistently high through the economic recovery that followed the Great Recession, when child poverty increased significantly. In 2015, one-fifth of all children under age five, or 4.2 million young children, lived in poverty.[1]

Poverty has negative effects on the health and well-being of all individuals, but for a young child, its consequences can shape their entire life trajectory. Early childhood is a critical period for physical, cognitive and social-emotional growth and development, and creates the foundation for healthy development, academic success and well-being well into adolescence and adulthood.

To ensure that all children have the opportunity to thrive, both the effects of poverty on young children – including limited access to academic opportunities and health care – and its causes – such as poor protections for working families and lack of employment opportunities – must be addressed. We must better support families and caregivers to meet children's basic needs. This is an achievable goal. As an example, the dramatic reduction in the number of seniors living in poverty since the 1960s[2] resulted from effective federal policy changes and illustrates the power of political will and focused policies to reduce poverty rates.

Failure to invest in children and their families and caregivers during early childhood results in inequities that can produce costly poor outcomes later in life. A number of opportunities are available in the early childhood sphere for policymakers to take action to reduce poverty and mitigate its effects. By capitalizing on opportunities in policy at the local and state level, we can better support families with young children and tackle both the causes and consequences of early childhood poverty.

Poverty in Early Childhood by the Numbers:

- 1 in 5, or 4.2 million, children under age five experienced poverty in 2015.
- 2.1 million children under age five experienced deep poverty in 2015 – nearly half of all the young children who experienced poverty.
- Early childhood poverty grew during the Great Recession, and has remained high through the recovery, remaining above 20 percent since 2009.

Poverty: In 2015, a family of three lived in poverty if it earned less than **$19,096** per year
Deep Poverty: In 2015, a family of three lived in deep poverty if it earned less than **$9,548** per year, or half of the federal poverty threshold.[3, 4, 5]

Poverty has cumulative effects that undermine a young child's healthy development

A large body of research has shown that children who grow up in poverty experience poorer outcomes than children who are more economically advantaged, and the longer a child experiences poverty, the greater and longer-lasting the effects can be.

In the first years of life, 700 to 1,000 new neural connections are formed every second, shaping the brain's architecture in ways that influence learning, health and behavior for a lifetime. Poverty influences this process by bringing a host of stressors and hardships into a child's life and influencing relationships with caregivers and others in a child's social network. In the absence of adequate buffering relationships and supports, such stressors can adversely impact the architecture of a young child's rapidly developing brain.

Growing up in a household with material hardship creates inequitable opportunities and increased exposure to risk factors for young children when compared to children who do not live in poverty – including a greater likelihood for exposure to community violence, food insecurity, unsafe and unstable housing, and limited opportunities for high-quality early care and education. This in turn leads to health disparities and inequitable opportunities for learning and social-emotional development for young children living in poverty.

Poverty does not impact all children equally

Children of color are significantly more likely to be affected by poverty than white children in the U.S. By 2020 more than half of all children in the U.S. will be children of color,[6] and already half of all children under five are children of color.[7] In many localities across the U.S., this demographic shift took place years ago. In 2015:

12.8 percent of white children under age five lived in poverty[8]

30.2 percent of Hispanic or Latino children under age five lived in poverty[9]

37.4 percent of black children under age five lived in poverty[10]

11.9 percent of Asian children under age five lived in poverty[11]

39.1 percent of American Indian and Alaskan Native children under age six lived in poverty[12]

30.4 percent of Native Hawaiian and other Pacific Islander children under age six lived in poverty[13]

While the poverty rate for Asian children is relatively low compared to other racial groups, this figure masks deeper levels of poverty experienced by certain ethnic groups. For example, 30.2 percent of Hmong children under age six lived in poverty in 2015.[14]

Racial disparities in early childhood poverty expose increasingly larger segments of the young child population to poorer outcomes, making it increasingly urgent that policymakers and early childhood stakeholders address both the causes and the symptoms of racial disparities in poverty rates and the differential impacts of policies and programs on children and families of color. Policymakers and early childhood stakeholders must consider the compounding effects that racial bias and poverty have on young children and their families. Poverty is deeply harmful to children and families, regardless of race or ethnicity, but for children and families of color it is an added layer of disadvantage that can lead to additional hardships, particularly when policymakers and service providers fail to address the ways in which policies and practices differentially affect children and families of color.

The continuing legacy of racially discriminatory public policies means that too many families of color face discriminatory job markets, housing markets and school systems, among other barriers to economic opportunity. Housing policy in the 20th century that explicitly segregated neighborhoods by race and denied families of color equal access to home financing means that generations of families were denied the opportunity to accumulate capital through the appreciation of a home's value, contributing to a stark wealth gap between white families and families of color.[15] Because of this wealth gap, families of color today often have fewer assets and savings to draw upon during periods of financial hardship or to invest in higher education, reducing economic stability and mobility. Young children's education also continues to be affected by the legacies of residential segregation, as school funding is so closely tied to local wealth in the U.S.

The U.S.'s history of anti-poverty policy has demonstrated that programs will perpetuate racial inequities if not intentionally designed to recognize and address inequity. For example, welfare reform in 1996 introduced strict new work requirements for families receiving cash assistance through Temporary Assistance for Needy Families (TANF). The policy did not address the fact that racial discrimination persists in the labor market even as it required families receiving TANF to participate in work or work-related activities to maintain eligibility, further exacerbating unequal exposure to poverty among young children of color.

Attempting to reduce poverty without also addressing racial inequity can perpetuate the status quo of racially disproportionate rates of poverty for young children and their families. To improve outcomes for all children and families, policymakers must explicitly focus on racial disparities in poverty rates and seek solutions that recognize the systems, structures and policies that create and uphold racial disparities in poverty rates; and identify solutions that can effectively address these racial inequities.

How Can We Better Support Young Children and their Families?

Policymakers have several opportunities to ensure that all young children have the support and resources they need to thrive. The consequences of poverty in early childhood can be prevented and mitigated through the provision of high-quality, accessible and responsive programs and services, but to address the root causes of poverty, a broader shift in policy is also needed. Within the early childhood sphere, there are a number of policy options available that can address poverty or mitigate its effect on young children.

Policymakers can focus on two key areas to better support young children and their families:

- Build economic opportunities and promote economic stability for parents and caregivers
- Build a high-quality system of supports and services for families with young children

Within these key areas, policymakers can more effectively support children and families facing the greatest barriers through inclusive policy development processes, including authentic parent and family engagement. Authentic engagement practices allow families and communities experiencing poverty to have agency and power over the programs and policies that directly impact them. Authentic inclusion of parents and families in decision-making processes increases the likelihood that programs and policies will better address their needs and priorities, decreases the likelihood of unintended negative effects and promotes parent and family leadership in the community.[16]

Build economic opportunities and promote economic stability for parents and caregivers

Support parents and caregivers to better support children

Early childhood policymakers can collaborate with community partners to align programs for young children with programs targeted to adults. By treating child outcomes as a function of family well-being, multi-generation approaches recognize that family economic stability is a necessary precursor to preventing and closing opportunity gaps for young children.

An example of this is aligning child care subsidies with workforce development programs for caregivers. Currently, many state policies make it difficult for a child to receive a child care subsidy while the child's caregiver is participating in a workforce development program or pursuing an education. Requirements vary among states, but include requiring parents to work for a certain number of hours while attending school, limiting the length of time subsidies can be received and limiting the level of education a parent can achieve while receiving a subsidy, among other restrictions.[17] Both children and parents lose in this equation – children may lose access to high quality early care and education programs, while a caregiver may be forced to choose between retaining a child care subsidy and pursuing education or training to improve their economic opportunities. This lack of alignment between programs supporting children and caregivers ultimately disadvantages the entire family. A multi-generation approach to programs and policies impacting young children and their families would avoid such counter-productive effects.

Capital Area Head Start in Pennsylvania has taken a multi-generation approach to improve economic opportunity for the whole family by operating an Employment and Training program for parents of the children it serves. The Employment and Training Program is flexible in order to accommodate unpredictable family schedules and responsibilities, and is individualized based on the goals of the parent. Along with information about the Employment and Training program, parents in Capital Area Head Start also receive information on childcare, employment, obtaining a GED, services to learn English as a Second Language and college. This approach frames child wellbeing as a function of family wellbeing, and equips parents with the tools they need to better support their children.

Support and advocate for family-supportive work policies

Research has shown that U.S. households experience significant declines in economic wellbeing in the months following the birth of a child, as expenses rise and income generally falls while mothers take time off from paid work. For families with lower incomes and fewer savings, this decline can be particularly harmful, but family-supportive work policies – like higher minimum wage laws, protections for pregnant workers, paid family and medical leave policies and fair/flexible scheduling practices – can provide protection.

These local and state policies can also promote equity. Family-supportive work polices like paid leave, fair scheduling and higher minimum wage laws are particularly important for low-income and part-time workers, who are disproportionately people of color and single heads of household. These workers and their families have fewer supports to buffer the effects of financially disruptive life events – like a birth, death or illness in the family – making them more vulnerable to poverty. Economic analysis has shown that with access to paid leave, more low-income parents are able to take time off, rather than taking no leave or dropping out of the workforce after the birth of a child. In the time after a child is born, paid leave also raises the likelihood that mothers will return to the workforce, work more hours and earn higher wages, contributing to family economic stability and mobility.[19] Fair and accessible family-supportive work policies improve opportunities for all children and families to thrive.

New York State's Family Leave Program

In 2016, the New York state legislature adopted the nation's most generous paid family leave policy, providing 12 weeks of paid leave to care for a new child (including adopted and foster children) or family member. When the policy is phased in starting January 2018, it will cover all full-time and part-time workers who have been with their employer for at least six months. The wide net cast by New York's policy will greatly benefit a significant number of families with young children who have historically lacked access to either paid or unpaid leave because their employer is exempted from federal protections, or because they are not considered full-time employees. New York's protections will be particularly important for low-wage workers, who are disproportionately people of color and single heads of household.

Support families through tax policy

Policymakers at the state-level can consider strengthening the supports working families receive from the federal **Earned Income Tax Credit** (EITC) by adopting or strengthening a state EITC. As of 2016, 26 states and the District of Columbia have established a state EITC to supplement the federal EITC, increasing the credit's ability to lift families out of poverty. The EITC is a powerful tool that reduces poverty by supplementing the earnings of low-wage workers – particularly those with children – while encouraging work. In 2013, it's estimated that about 3.2 million children were lifted out of poverty by the federal EITC.[18] By supplementing the federal EITC, states can do even more to support low-wage working families and their children.

Additionally, the **Child Tax Credit** (CTC) can be strengthened to better support families with young children. Currently, the CTC helps families increase their wages by providing a refund equal to a portion of their earnings. However, limitations in the current structure of the CTC prevent it from addressing poverty among young children as effectively as possible. The CTC is not fully refundable and is not available to families with the lowest earnings, reducing its ability to reach families with young children with the greatest need. Additionally, while the CTC is available to families with any children under age 17, it does not account for the additional financial stress experienced by families with young children, who are more likely to experience poverty. A **Young Child Tax Credit** could address current flaws in how the CTC is structured. A Young Child Tax Credit that more effectively supports all families , and particularly those struggling with the financial burdens that come with a new child, would be fully refundable, would reach all low-income families – including those with the lowest incomes – and would offer larger credits for families with children ages 3 and under.[19]

By boosting the income of families with young children, tax credits like the EITC and an improved CTC can effectively address the unique needs of families experiencing poverty, allowing them to use the additional income for what their families need most – housing, food, health care, child care costs or other needs. Research has shown wide-ranging positive effects on the health and educational outcomes of children whose families receive these kinds of flexible wage enhancements,[20, 21] suggesting that strengthening and expanding these tax policies could substantially improve outcomes for young children experiencing poverty. Policymakers can enhance the benefits of such supports in federal tax policy, while states can develop supplemental policies to further support families.

Build a high-quality system of supports and services for families with young children

Poverty is not a single-sector issue, so families who seek services from early childhood providers may also have contact with organizations in sectors like housing, food access, health care and workforce development. Fostering alignment across these sectors allows for multi-sector partnerships, which subsequently allow early childhood systems to augment their impact through increased opportunities to reach families experiencing poverty and create a more cohesive system of support for young children and their families. In addition, cross-sector partnerships can allow for a stronger multi-generational approach, ensuring that the interrelated needs of children and their caregivers are addressed. Policymakers can promote collaboration and coordination through aligned application processes and eligibility requirements, and through funding for collaborative efforts.

Ensure programs are high-quality, accessible and a good fit for the poorest families

A program that is not high-quality and responsive to the needs of the most disadvantaged families will ultimately do little to buffer young children and their families from the effects of poverty. For example, high-quality early care and education can mitigate the effects of poverty on a child's development, but research shows that children experiencing poverty have reduced access to high-quality early care and education programs. This contributes to a gap in learning and academic achievement that can result in reduced earnings as an adult and create a cycle of intergenerational poverty.

Policymakers can support early care and learning systems to promote equitable access to quality early care and education by: 1) examining how the geographic distribution of affordable and high-quality childcare slots corresponds to neighborhood demographic characteristics; 2) expanding the number of such slots (particularly in underserved neighborhoods); 3) providing training and resources to both home-based and center-based child care providers; and 4) expanding access to child care assistance for families living in poverty, and particularly for families living in deep poverty.

Promote Equity through Policies Suppporting Family, Friend and Neighbor Care Providers

Center-based and licensed child care providers are not the best fit for all families and children. For both economic and cultural reasons, a family may choose to rely on family, friends or neighbors for child care. Family, Friend and Neighbor (FFN) care is commonly used throughout the U.S. – estimates of regular use of FFN care range from 33 percent to 53 percent for children under five.[22] These home-based and often unlicensed caregivers can provide high-quality, nurturing and culturally appropriate care for young children, but may have less access than licensed and center-based care providers to resources like information on child development, provider training and support for participating in childcare subsidy programs.

Local early childhood system leaders and policymakers can make a concerted effort to provide support to FFN care providers. To encourage participation by FFN care providers, organizations must work to overcome the barriers FFN care providers may face related to time, transportation, language and financial restrictions.

Some areas in which FFN care providers can be supported include:[23]

- Assistance with participation in the federal Child Care Development Block Grant (CCDBG) Program, which helps low-income families afford child care through the provision of subsidies
- Assistance with participation in the Child and Adult Care Food Program (CACFP), which can provide FFN care providers with reimbursements for the nutritious meals they offer to children in their care
- Provision of education and training opportunities to improve the quality of care offered by FFN care providers. In some cases, trainings can be aligned to also make FFN care providers eligible for more generous child care assistance reimbursements.

The Women's Fund of Greater Birmingham in Alabama has partnered with St. Clair County Head Start and Jefferson State Community College in a multi-sector collaborative that seeks to more effectively serve families experiencing poverty. The partnership provides 17 weeks of dental assistant training for a class of single mothers while their children participate in Head Start programming. By coordinating efforts across the philanthropic, early education, and adult education and training sectors, this partnership is able to more fully meet the needs of families experiencing poverty.

Conclusion

Poverty in early childhood is a pervasive problem in the U.S., with 1 in 5 children under the age of five experiencing poverty in 2015. Among those young children, children of color are disproportionately likely to be exposed to the material deprivation and reduced access to opportunity that comes with poverty, contributing to racial inequities in health, learning and other measures of well-being. The cumulative effects of poverty on health, learning and social emotional development are increasingly well-understood, but not yet effectively addressed, leaving policymakers with a number of opportunities to better support families with young children by addressing both the causes and symptoms of poverty in early childhood. Key areas to consider include using inclusive policymaking processes to build opportunities for families to improve their own economic stability and mobility, and to build strong systems of supports and services that promote quality, coordinated, equity-focused and responsive services across sectors.

Endnotes

1. Data from U.S. Census Bureau Current Population Survey, 2016 Annual Social and Economic Supplement. Retrieved from: http://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pov/pov-01.html#par_textimage_10
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3. U.S. Department of Health & Human Services, Office of the Assistant Secretary for Planning and Evaluations. (2015). U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Federal Programs. Retrieved from: https://aspe.hhs.gov/2015-poverty-guidelines
4. Figures represent the 48 contiguous states. Slightly higher poverty guidelines apply to Alaska and Hawaii.
5. In 2016 a family of three lives in poverty if it earns less than $20,160 per year, and lives in deep poverty if it earns less than $10,080 per year, or half the 2016 federal poverty line.
6. Data from U.S. Census Bureau Current Population Survey, 2016 Annual Social and Economic Supplement. Retrieved from: http://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pov/pov-01.html#par_textimage_10
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15. The median net wealth of white households is estimated to be 10 times greater than that of Hispanic households and 13 times greater than that of black households. To learn more, see Pew Research Center's 2014 report, "Wealth inequality has widened along racial, ethnic lines since the end of the Great Recession."
16. The National Center on Parent, Family, and Community Engagement for the Office of Head Start. (2013). "Families as Advocates and Leaders" Understanding Family Engagement Outcomes: Research to Practice Series. Retrieved from: http://eclkc.ohs.acf.hhs.gov/hslc/tta-system/family/docs/advocates-pfce-rtp.pdf
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