



CHILD POVERTY IN WEST VIRGINIA

A GROWING AND PERSISTENT PROBLEM

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WV Senate Select Committee on Child and Poverty
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OVERVIEW



- Why does child poverty matter?
- How do we measure poverty?
- What does child poverty look like in West Virginia?
- What are the potential causes of poverty?
- How have policies responded to poverty?
- How should we address child poverty?

Growing up Poor

Poverty is not destiny, but it does place children at greater risk for:

- ❑ **Physical problems**, such as low birth weight, substandard nutrition, poor motor skills, and more accidents and injuries.
- ❑ **Cognitive difficulties**, such as poor academic performance, especially among younger children, and higher drop-out rates in high school.
- ❑ **Social and emotional problems**, such as anxiety, difficulty getting along with peers and adults, and low self-esteem.
- ❑ **Behavioral problems**, such as engagement in high-risk activities like smoking, alcohol and drug abuse, and early sexual activity, leading to higher rates of teen pregnancies.
- ❑ **Challenges in adulthood**, such as poor health, lower earnings, higher poverty rates, and more criminal behavior.

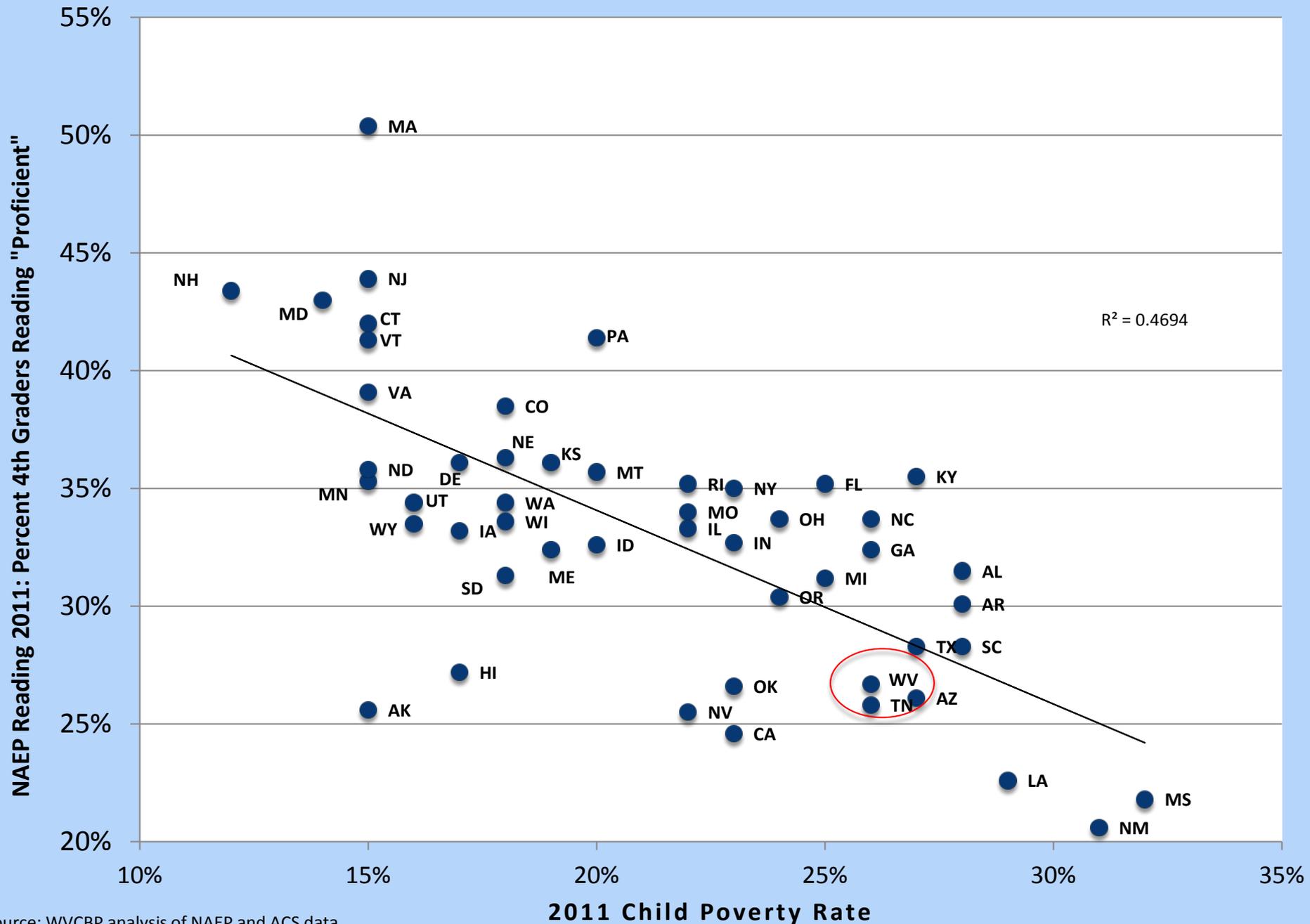
Timing, Depth, and Duration Matter

- The children who are most harmed are those who live in “**deep poverty**,” defined as family incomes less than 50 percent of the federal poverty level, and those who live in “**persistent poverty**” for multiple years.
- Poverty during **early childhood** has a greater impact on certain outcomes, such cognitive ability and high school completion, than does poverty in later childhood and adolescence.
- **Children of color** experience deep poverty, persistent poverty, and early childhood poverty at higher rates than white children.

Implications of Child Poverty

- The **economic cost** of child poverty in West Virginia is estimated at \$3.9 billion (2012 dollars).
- Severe **overcrowding of the state's prisons** and rise in state expenditures on corrections.
- The state's **substance abuse** epidemic, which is currently being addressed by the Governor's Advisory Council on Substance Abuse and six regional task forces.
- The state's **high obesity** rate and its related health problems, including type 2 diabetes, cardiovascular problems, and bone and joint problems.
- The **high teen birth rate** and the health, economic and educational challenges it creates for teen mothers and their babies.
- Concerns about students **dropping out of high school** and the consequences that has on future opportunities, earnings and quality of life.

4th Graders Reading Proficient or Advanced and Child Poverty Rate 2011



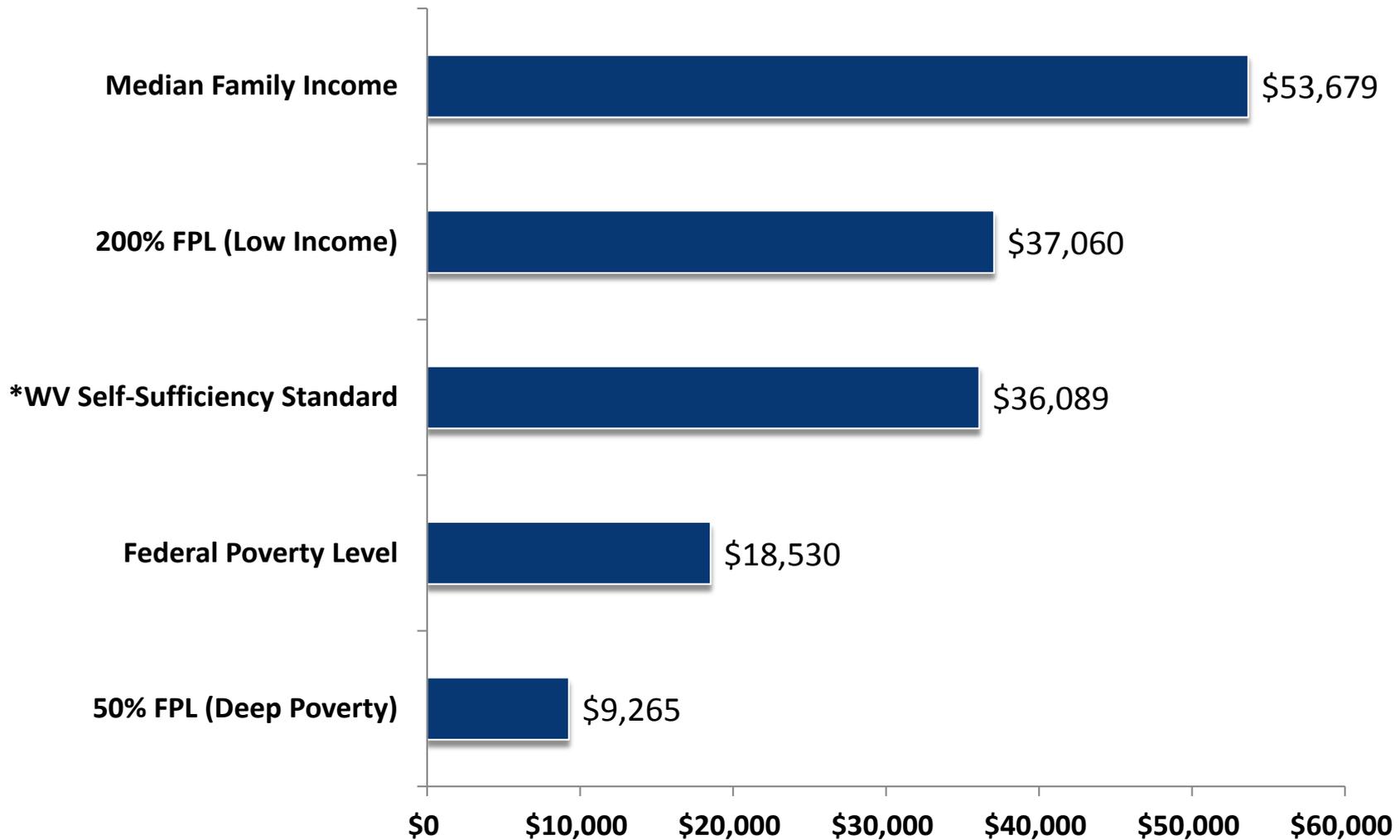
$R^2 = 0.4694$

Measuring Poverty

Several Ways to Measure Family Finances

- **Federal Poverty Threshold & Guidelines**
 - Cost of minimum adequate diet multiplied by three and adjusted annually using CPI.
- **Supplemental Poverty Measure (SPM)**
 - Includes geographical differences, health costs, tax credits, work costs, non-cash benefits, and taxes owed.
- **West Virginia Self-Sufficiency Standard (2009)**
 - Calculates the income that working families need to meet their basic necessities without private and public assistance.
- **Deep Poverty and Low Income**
 - Deep poverty is below 50% of FPL and Low-income is between 100-199% of FPL.

Annual Income for Family of Three in West Virginia, 2011

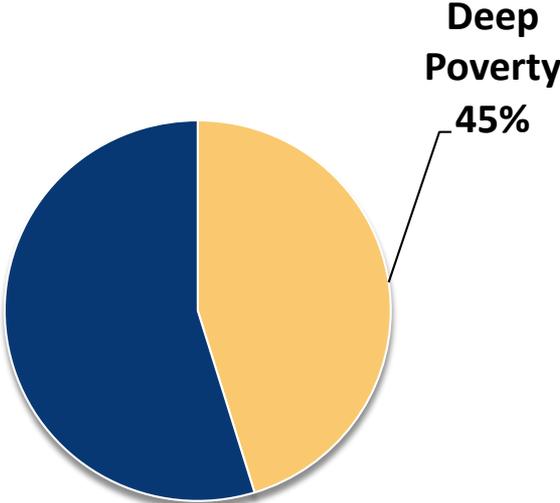


Source: U.S. Census Bureau and Workforce WV 2009 WV Self-Sufficiency Standard

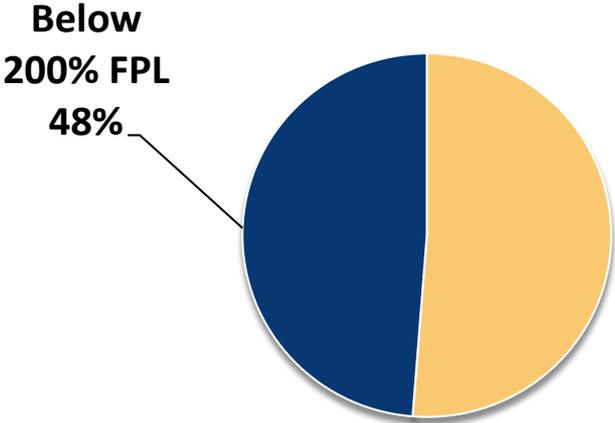
*One adult, one preschooler, and one toddler in Kanawha County. In 2011 dollars.

Deep Poverty & Low Income in 2011

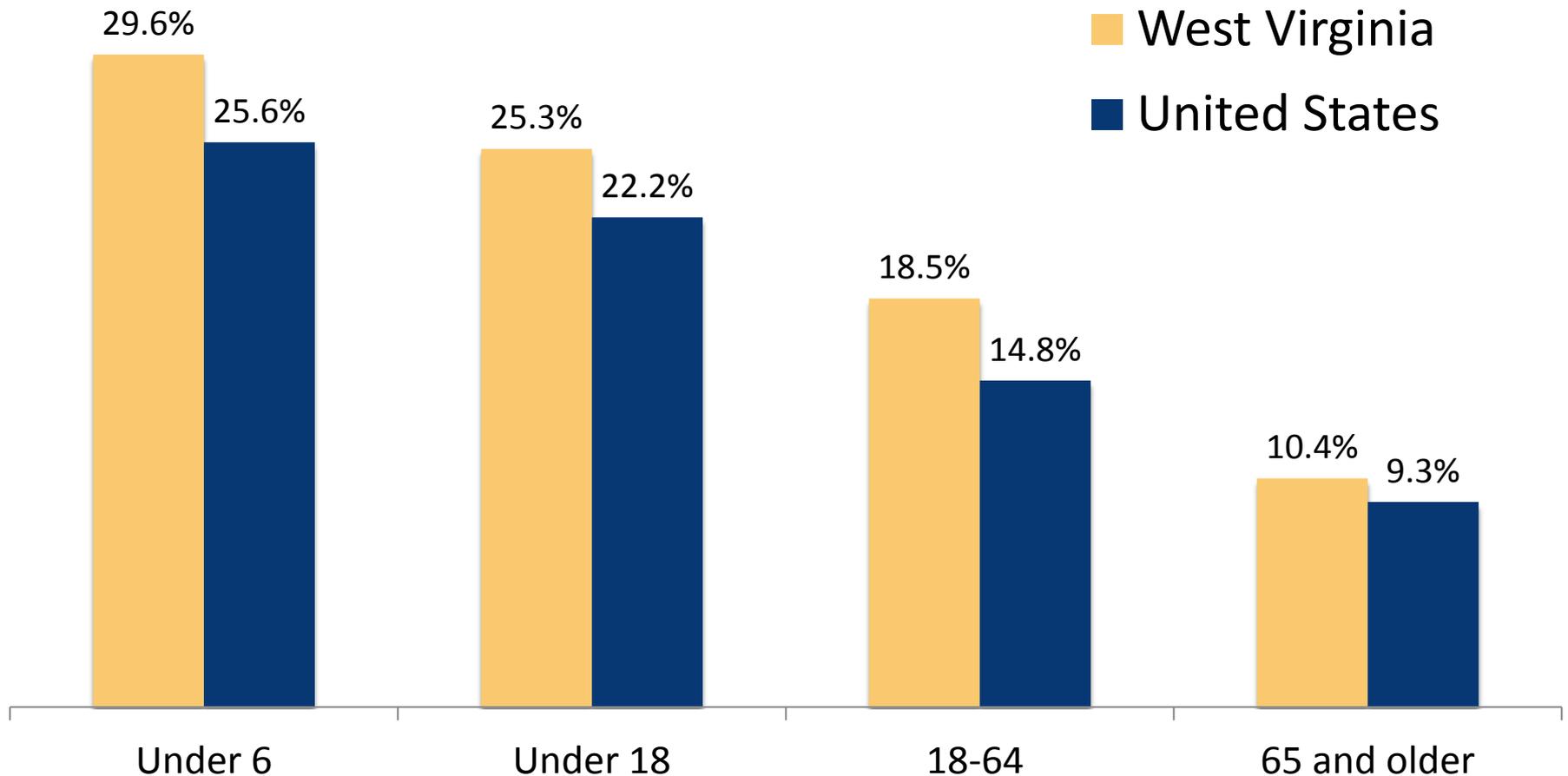
Almost Half of Poor Children are in “Deep Poverty”



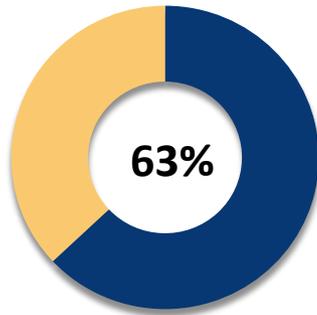
Almost Half of all Children are Low-Income



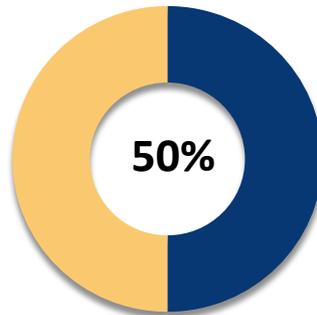
How many children lived in poverty in 2011?



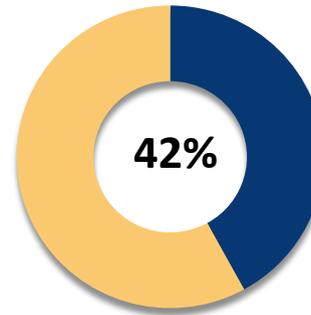
Who is more likely to live in poverty?



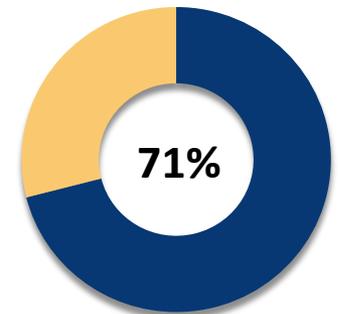
Children whose parents did not graduate from high school



Single Mothers

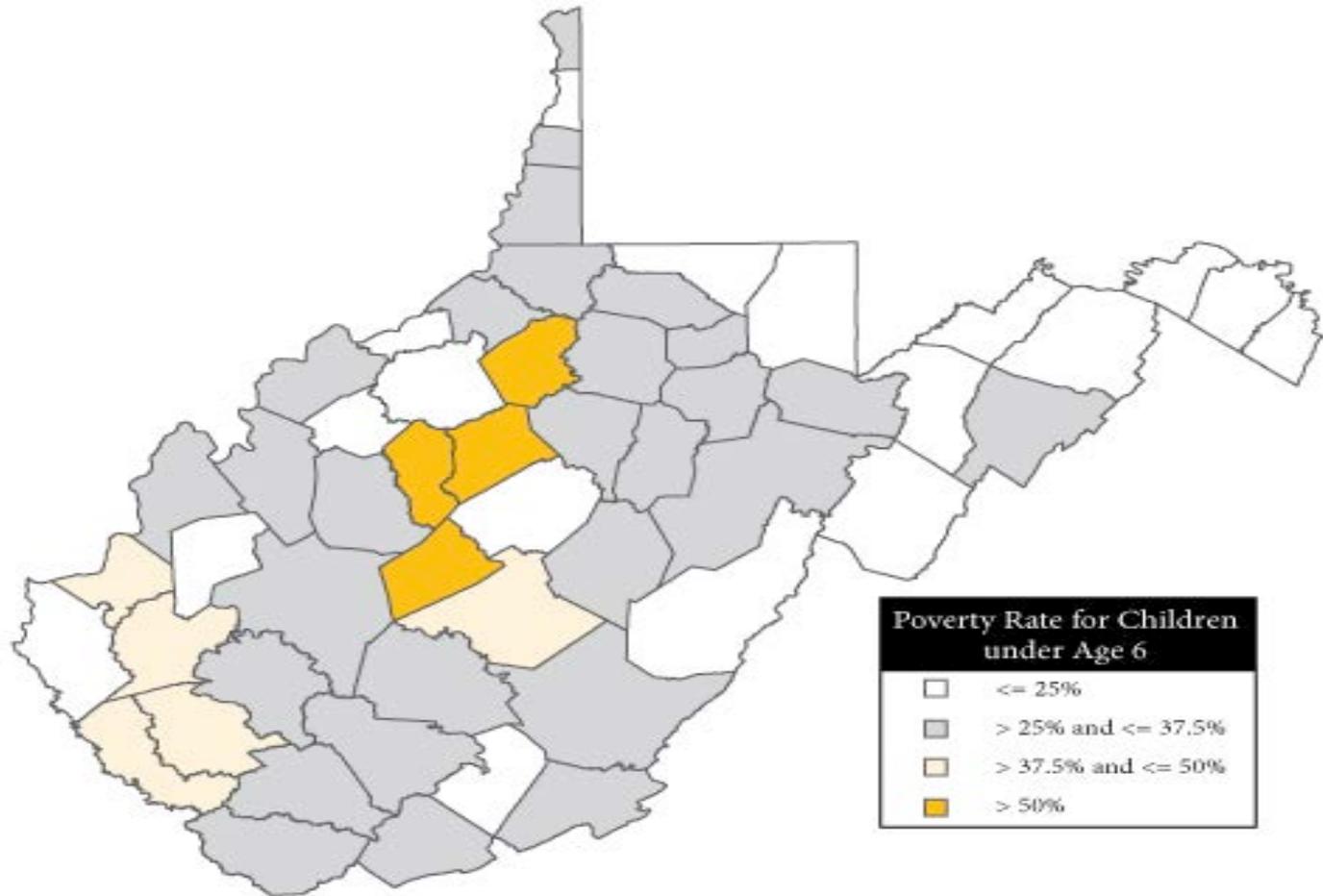


African American Children



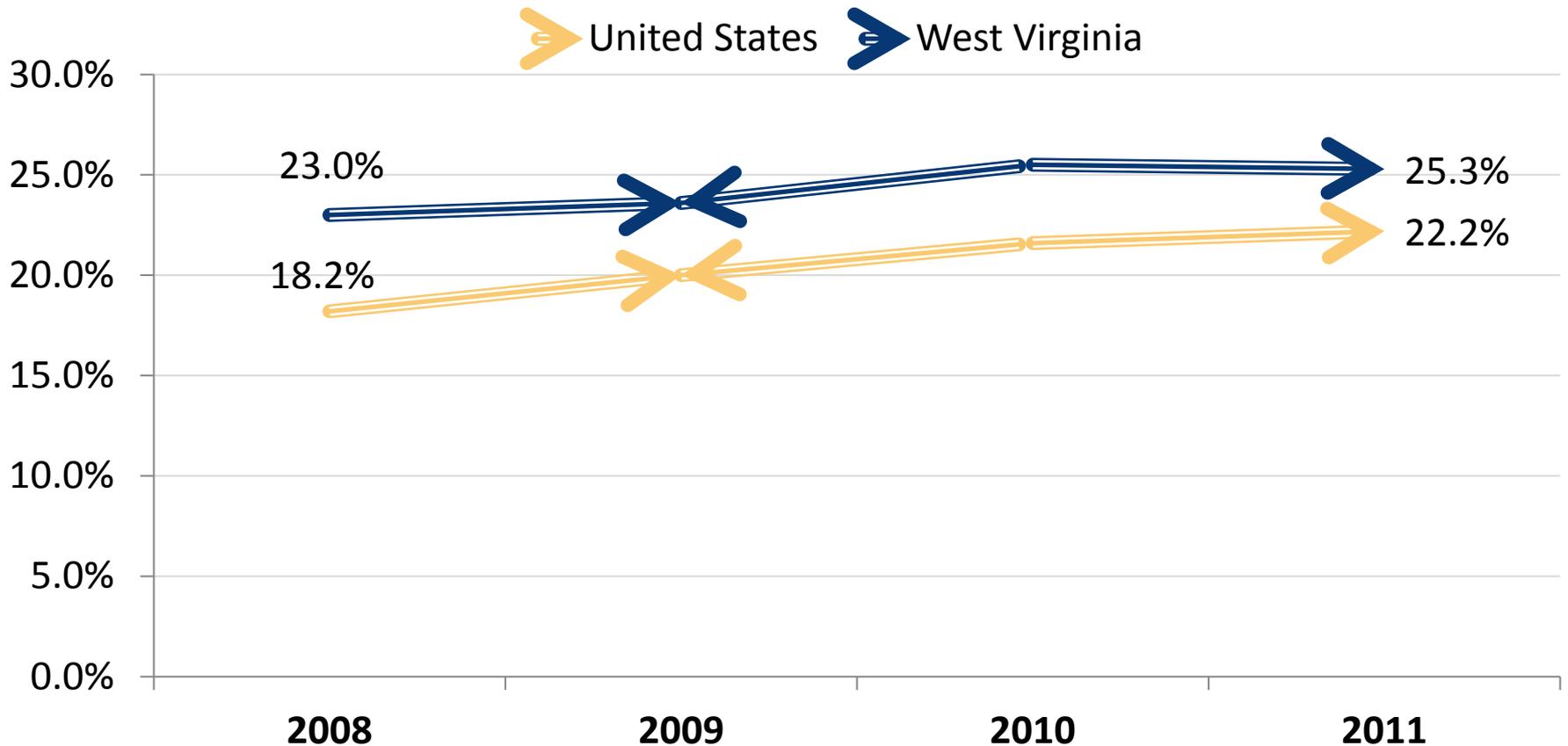
Children with Unemployed Parents

What areas have more young child poverty?

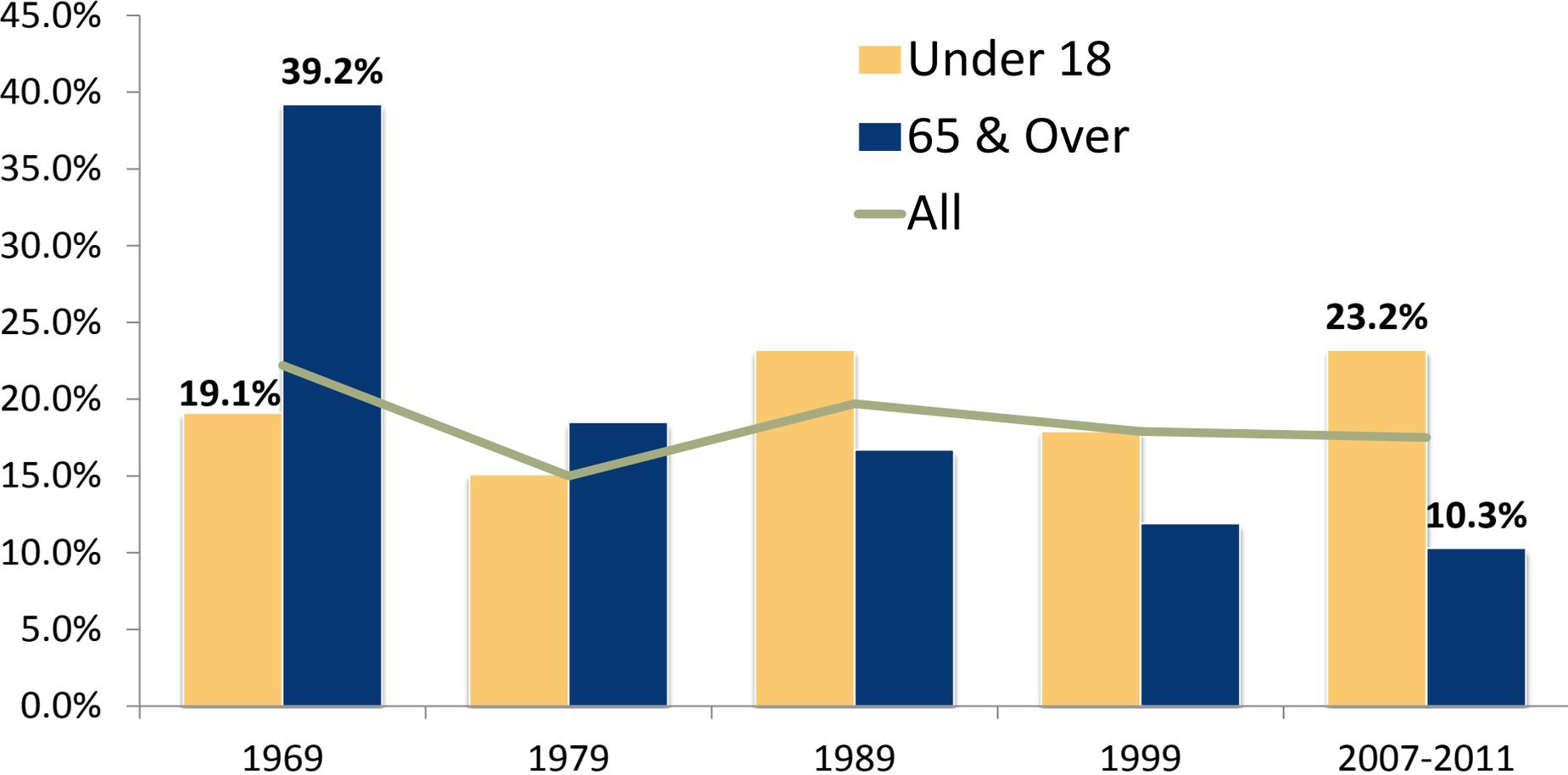


Recession Increased Child Poverty

Child Poverty Rate, 2008-2011



Historic Rates of Poverty

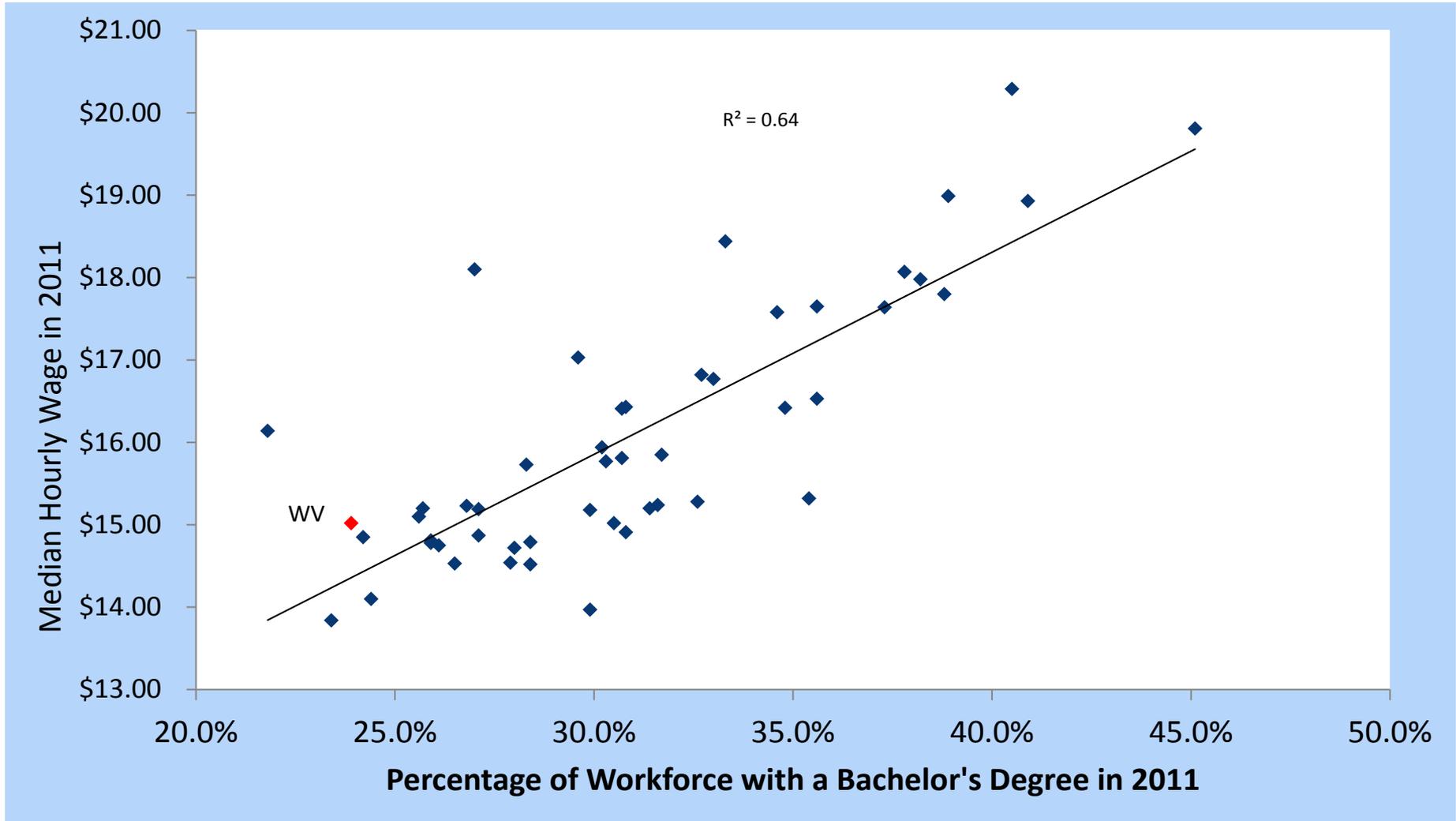


Source: U.S. Census Bureau Decennial Census 1970-2000 and 5-Year American Community Survey 2007-2011

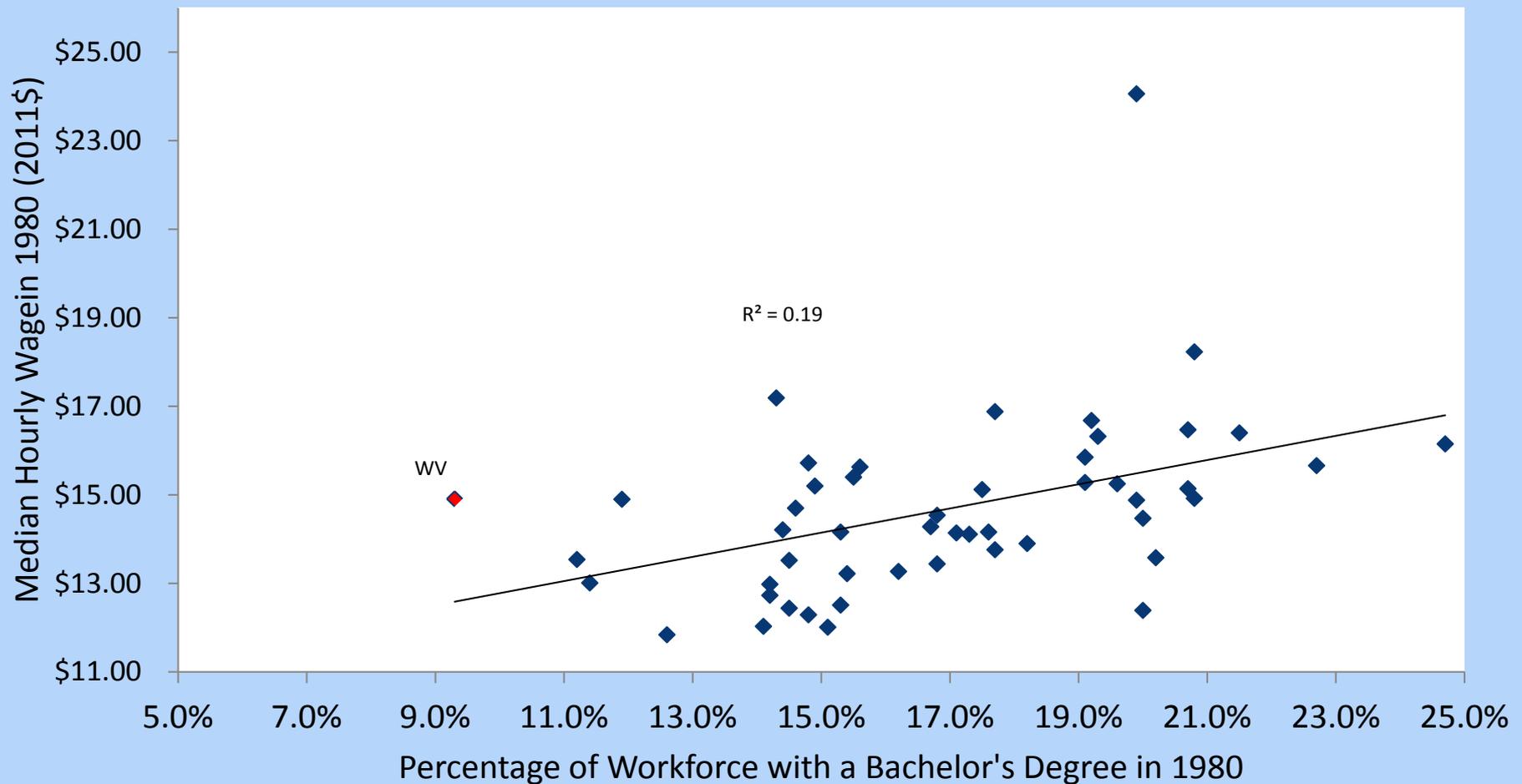
Some Potential Causes of Child Poverty

- Lack of educated workforce, which means low-paid jobs.
- Stagnant wage growth for middle and low income families.
- Gender gap in earnings
- Changes in Family Structure

Strong Link Between Education and Wages in 2011

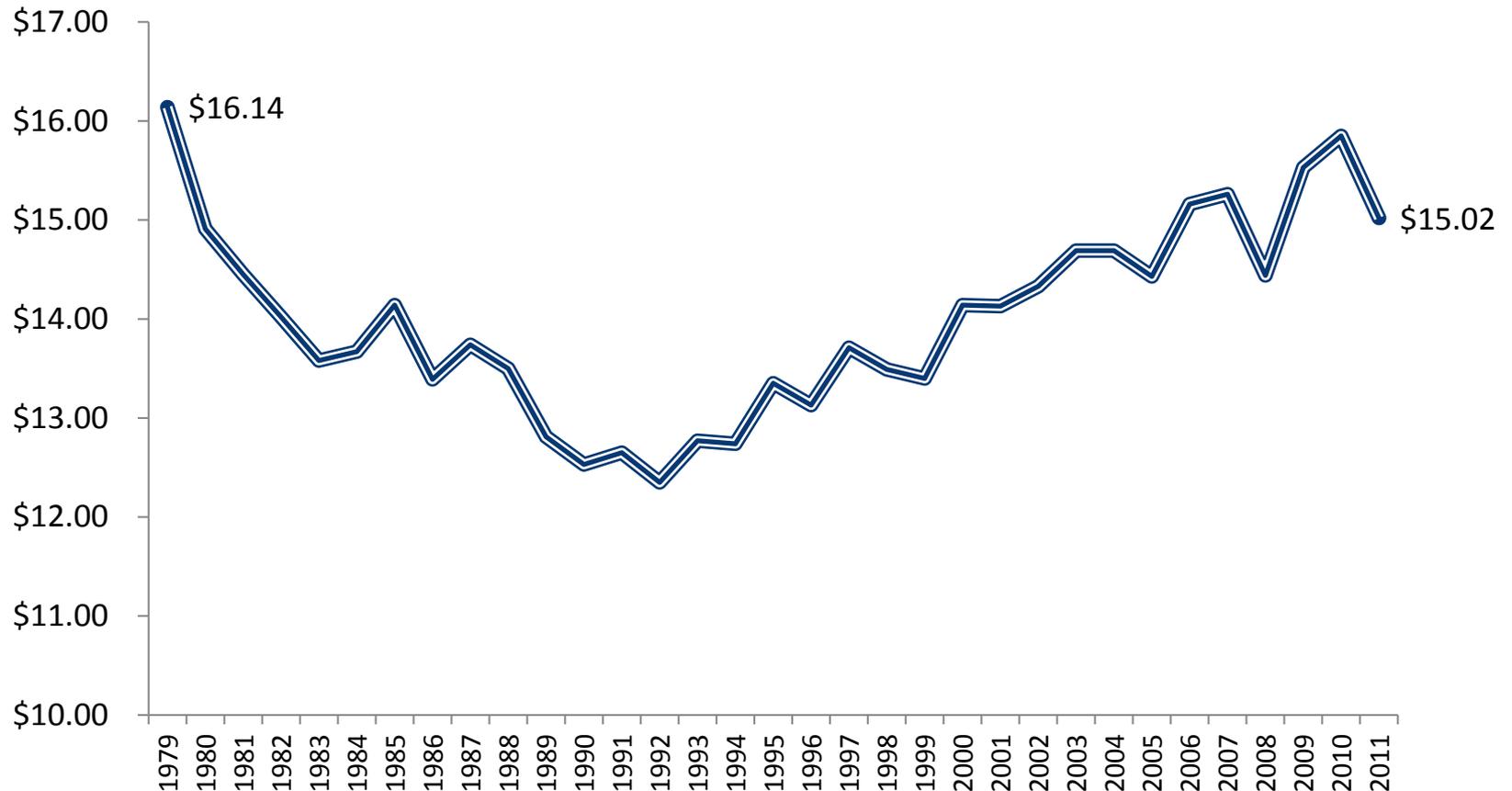


Weaker Link Between Education and Wages in 1980



Wages have not kept up with inflation

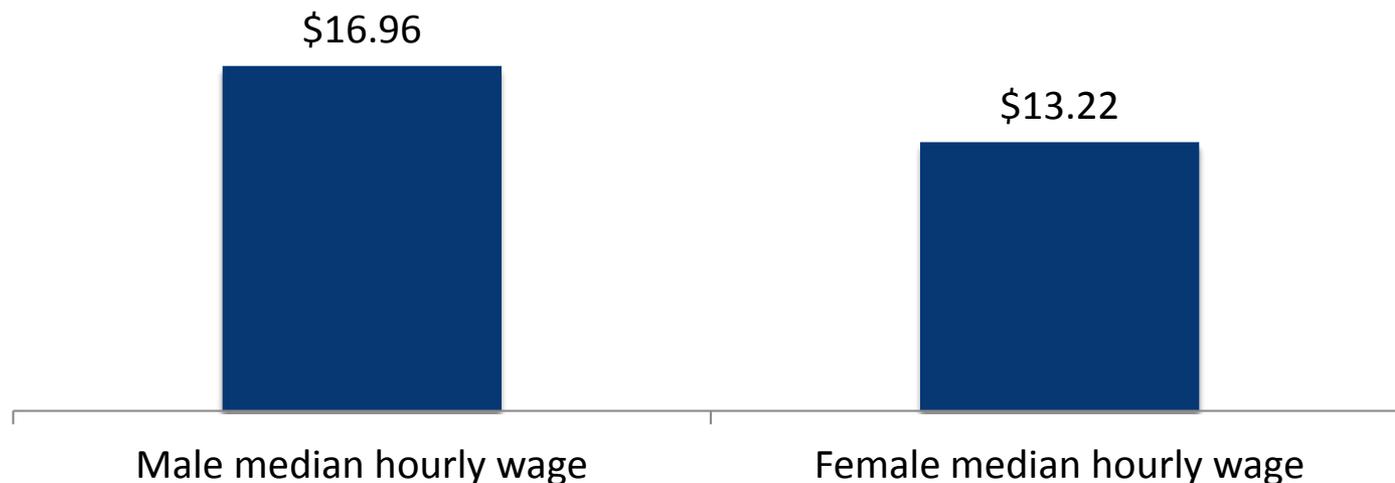
Real Median Wage Growth in West Virginia, 1979-2011
(2011 dollars)



Gender Gap in Earnings and Wages

- \$29,688 – median earnings for females working full-time, year-around (2nd Lowest in U.S.)
- \$42,125 – median earnings for males working full-time, year-around (12th Lowest in U.S.)

Median hourly wage in West Virginia in 2011



Policies and Programs that Address Child Poverty in West Virginia

Policy Goal	Examples of Policies and Programs
<p>Increase family income and assets.</p>	<ul style="list-style-type: none"> ▪ Temporary Assistance for Needy Families (TANF) ▪ Supplemental Security Income (SSI) ▪ Unemployment Compensation ▪ Earned income tax credit ▪ Child tax credit ▪ Child and Dependent Care Tax Credit ▪ WV Family Tax Credit ▪ Minimum wage laws
<p>Improve access to essential goods and services.</p>	<ul style="list-style-type: none"> ▪ Medicaid ▪ Children’s Health Insurance Program (CHIP) ▪ Affordable Care Act ▪ Women, Infants, and Children Program (WIC) ▪ Supplemental Nutrition Assistance Program (SNAP) ▪ Low-Income Home Energy Assistance Program (LEAP) ▪ Housing Choice Voucher Program (Section 8)
<p>Promote human development of children and parents.</p>	<ul style="list-style-type: none"> ▪ WV Child Care Program ▪ Head Start ▪ Title I of the Elementary and Secondary Education Act ▪ Home Visitation Program of the Affordable Care Act ▪ Workforce Investment Act ▪ In Home Family Education

How should we address child poverty?



- Build leadership at all levels
- Set a goal and work toward it
- Choose priorities
- Maximize current resources
- Enact new policies
- Ensure good results

Invest in Early Childhood Programs

Effects of Selected Early Childhood Programs on Adolescent and Adult Behaviors

Intervention and Outcomes:	Control or Comparison Group	Group Receiving Program
Teenage Parenting Rates (Abecedarian)	45	26
Health problem (Perry Preschool)	29	20
Drug user (Abecedarian)	39	18
Needed treatment for addiction (Perry Preschool)	34	22
Abortion (Perry Preschool)	38	16
Number of felony violent assaults (Perry Preschool)	0.37	0.17
Net Earnings Gain from Participating in Early Childhood Programs:		
Abecedarian	\$35,531	
Perry Preschool	\$38,892	
Chicago Child-Parent Centers	\$30,638	
Head Start	No effect	

Note: Table entries are percentages unless otherwise noted.

Source: W. Steven Barnett and Clive Belfield, "Early Childhood Development and Social Mobility," *Future of Children* 16, no. 2 (Fall 2006): 85.

Other state polices

- ❑ Enact a refundable state Earned Income Tax Credit and state Child Care Tax Credit.
- ❑ Raise the minimum wage.
- ❑ Expand In Home Family Education and child care subsidies.
- ❑ Improve and modernize Unemployment Insurance.
- ❑ Improve asset building with a state Individual Development Account (IDA) program.
- ❑ Promote programs to strengthen family relationships.
- ❑ Provide financial aid for adults and develop career pathways.