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# Task Force Aims to Address California's High Child Poverty Rate — but Policymakers Can Also Act Now

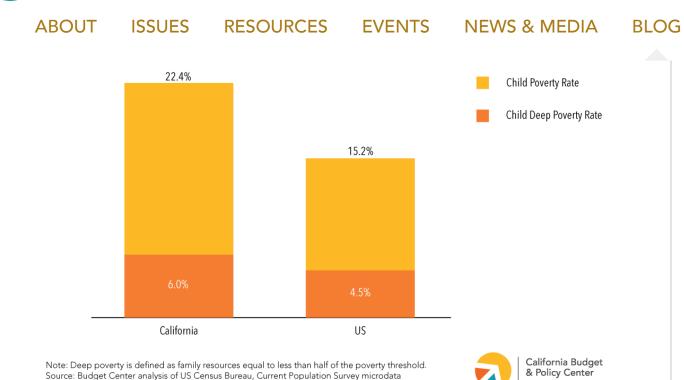
Budget · Work, Income & Poverty · Child Care & Preschool · Health & Human Services · May 29, 2018 · By Sara Kimberlin

More than 1 in 5 children in California live in poverty, when accounting for the high cost of living in many parts of the state. This high child poverty rate deserves attention from state policymakers. In fact, a state task force — the Lifting Children and Families Out of Poverty Task Force, established last year by Assembly Bill 1520 (Burke) — is examining the problem of child poverty in California and will develop recommendations to guide state policymakers in addressing this challenge. In advance of the task force's next meeting tomorrow, this blog post presents some key facts about child poverty in California and highlights strategies to address it.

## Many California Children Live in Poverty, but Child Poverty Is Not Evenly Distributed

California's child poverty rate under the official federal poverty measure, at 18.6% for 2016 (the most recent data available), is similar to the national rate of 18.0%. But under a better poverty measure that accounts for the local cost of housing, the US Census Bureau's Supplemental Poverty Measure (SPM), California has one of the highest child poverty rates in the country at 22.4%, nearly one and a half times the national rate of 15.2%.





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This means that more than 2 million California children live in a family that cannot afford basic necessities. Who are these children, and how should policymakers target state efforts to help them? Multiple approaches to examining the scope of child poverty are helpful to understand how to address it most effectively. Policymakers can ask the following questions:

- Which children have the highest risk of experiencing child poverty? Child poverty in California is not evenly distributed across demographic groups. As noted in a previous Budget Center *Data Hit*, children of color in California are much more likely to live in poverty. Other children with a high risk of experiencing poverty include children who are immigrants, children in single-parent families, and children in families with no working adults or with adults working less than full-time. Geographically, child poverty rates vary significantly across California counties and even locally within counties. High levels of child poverty are found both in major urban centers where housing costs are high and in less urban areas where incomes are low and unemployment is more common.
- Which types of child poverty are most harmful? Any amount of time spent in poverty can be harmful for children, because childhood — particularly early childhood as well as the prenatal period — is a sensitive period of physical, cognitive, and socioemotional development, setting the stage for individuals' capabilities and opportunities over their lifetime. However, certain types of poverty are especially harmful for children. Deep poverty — typically defined as family resources equal to less than half of the official poverty threshold — is linked to a particularly high risk of <u>negative outcomes</u> for children. Chronic or persistent poverty, which often co-

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poverty. For example, while children in families without working adults are much more likely to live in poverty, in fact the overwhelming majority of all California children in poverty under the SPM — more than 9 in 10 — live in working families, according to Budget Center calculations for 2016. More than 7 in 10 California children living in poverty live in rental housing, and about 7 in 10 are Latino. Roughly 7 in 10 children in poverty participate in Medi-Cal, California's state- and federally-funded public health insurance program. Nearly 1 in 3 California children in poverty live in Los Angeles County, according to Budget Center analysis of data from the <u>California Poverty Measure</u> (an SPM-like poverty measure that is specific to California).

Understanding which groups of children are especially likely to experience poverty, and which types of poverty are most harmful, can be helpful for developing narrowly targeted policies to address child poverty. Understanding the typical characteristics of children living in poverty, on the other hand, is helpful for designing policies that will be effective in reaching a large share of children in poverty or addressing the most common needs of children and families struggling with poverty.

#### The Right Policy Choices Can Make a Difference for Children in Poverty

Public supports and services can reduce the number of children in poverty, limit the severity of poverty experienced by children, and decrease the harmful outcomes often associated with growing up in poverty. Over the short term, public policies can reduce the rate and severity of child poverty by *reducing the costs families face in meeting their basic needs* — by expanding access to affordable housing, food assistance, subsidized child care, or public health insurance, for example. Policies can also reduce child poverty rates and severity by *increasing families' incomes*. Some options include offering refundable tax credits, income support for parents who have disabilities or are moving from welfare to work, or workforce development programs that prepare parents for higher-paying jobs.

In fact, existing public supports substantially reduce California's child poverty rate. Without public supports such as food assistance, refundable tax credits, and income supports through disability and welfare-to-work programs, the child poverty rate under the California Poverty Measure would have been *two-thirds higher* in 2015, increasing from 21.6% to 36.0%, per Budget Center calculations. This means that without these existing public supports, more than 1 in 3 California children would have been in poverty. What's more, building on existing public supports and systems — such as by increasing the level of support available to families, expanding the number of families eligible for support, or increasing take-up among eligible families — is one effective and efficient way to reduce the child poverty rate and the severity of poverty experienced by children.

Public investments in services and family supports for low-income children during early and middle childhood can also help to build resilience among children who are growing up in poverty and minimize the negative long-term outcomes associated with child poverty. Investments in high-quality



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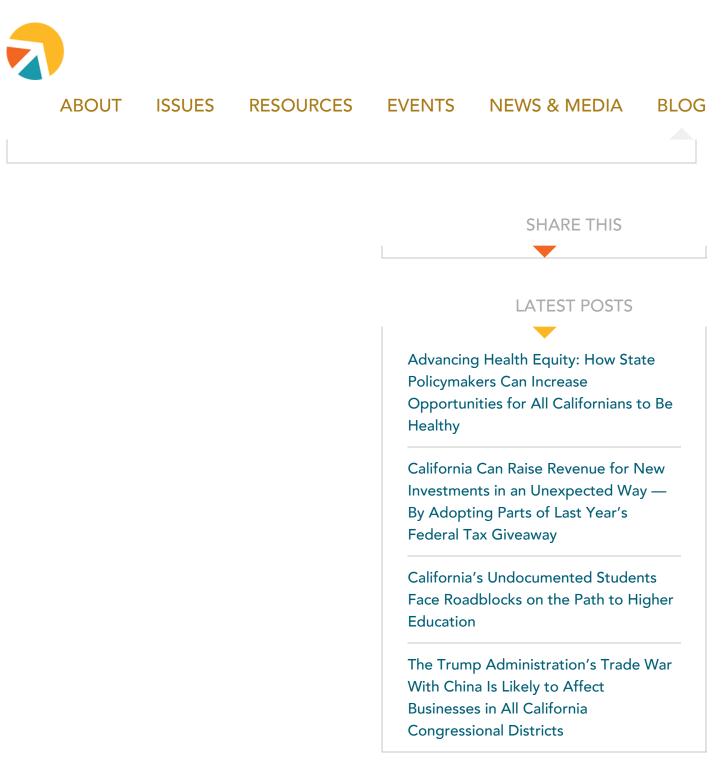
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The Ending onlide and Fanny Foverty Task Force <u>Interneers</u> include representatives non-state agencies that serve families with children, county governments, and state and local community organizations that provide services to or advocate on behalf of low-income families, as well as researchers with relevant expertise. The task force is scheduled to meet five times in total, with three meetings already completed and two upcoming (including tomorrow's meeting). Meetings to date have covered many of the topics described above, including demographics and trends in child poverty, existing public safety net programs, longer-term strategies to address poverty, and data available to monitor and understand poverty in California. Budget Center staff have presented on several topics at past task force meetings, including child poverty data and trends, Medi-Cal and SSI/SSP, and early learning programs for children age 0 to 5. Ultimately, the task force will produce a final report, due by November 1, 2018, that will describe the problem of child poverty and deep poverty in California and offer policy recommendations for addressing this problem, which are intended to inform the incoming Governor and his or her administration as well as the Legislature.

#### State Policymakers Don't Need to Wait to Address Child Poverty

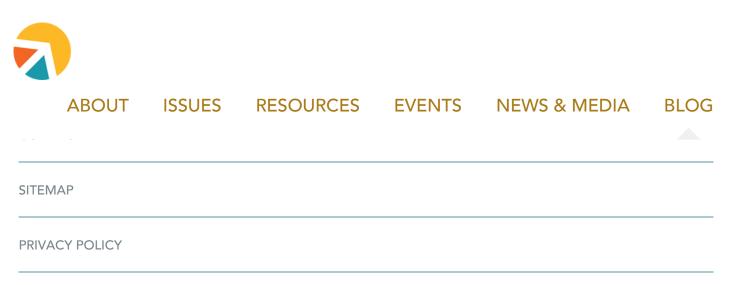
While the task force report will aim to inform future state efforts to address child poverty, lawmakers have policy options right now to reduce the level and effects of poverty among children in California. Governor Brown recently released the May Revision to his proposal for the 2018-19 state budget, and his revised spending plan includes some items that address child poverty, among them a pilot home visiting program for first-time parents in CalWORKs, California's welfare-to-work program; an increase in support for CalWORKs families who are homeless or at risk of homelessness; a modest increase in full-day state preschool slots, as agreed to in a multiyear plan adopted as part of the 2016-17 budget agreement; and providing funding to support full implementation of the K-12 Local Control Funding Formula, which directs more state funding to schools that have more low-income students. Notably, revenues this year have come in billions of dollars higher than projected in January, but the Governor proposes to set aside most of these additional dollars to build up reserves rather than investing in Californians now.

Over the next couple weeks, the Legislature will finalize its budget proposal, in preparation for negotiations with the Governor, and they have proposed directing some of this year's higher-thanexpected revenues into several more substantial investments that would reduce child poverty and deep poverty and address the needs of children living in poverty. Significant proposals include increasing the income support provided to families through CalWORKs cash grants; extending eligibility for the CalEITC to working immigrant families who file taxes with Individual Taxpayer Identification Numbers (ITINs), making the state child and dependent care tax credit refundable, and increasing support for free tax preparation services and outreach to maximize the impact of tax credits for low-income families; providing a nearly \$1 billion state investment in child care and early childhood education; and investing \$5 billion over four years to develop more affordable housing and address homelessness. While it is unlikely that all of these legislative proposals will be fully adopted, the state budget negotiations in the coming weeks represent a key opportunity for lawmakers and



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