



Hot Topic: Lift Children Out of Poverty

Congress must:

- Pass the Child Poverty Reduction Act.
- Expand and enhance tax credits available to families with children.
- Fund and prioritize concrete and economic supports for families.

Background

The U.S. Census Bureau reported that 37.9 million people in the United States lived in poverty in 2022 and that there had been a significant increase in child poverty, with 12.4% of children (nearly 9 million children) living in poverty in 2022 compared to 5.2% of children (3.8 million) in 2021. This sharp rise in child poverty correlates with the expiration of COVID-19 pandemic-era benefits, such as the expansion of the Child Tax Credit.

Research has shown that poverty is associated with negative outcomes for the entire family. In 2019, the National Academy of Sciences report *A Roadmap to Reducing Child Poverty* pointed out the potential impact that poverty can have on children and their development:

“Some children are resilient to a number of the adverse impacts of poverty, but many studies show significant associations between poverty and child maltreatment, adverse childhood experiences, increased material hardship, worse physical health, low birth weight, structural changes in brain development, mental health problems, decreased educational attainment, and increased risky behaviors, delinquency, and criminal behavior in adolescence and adulthood. As for the timing and severity of poverty, the literature documents that poverty in early childhood, prolonged poverty, and deep poverty are all associated with worse child and adult outcomes.”

Child Poverty and Child Welfare: A Complex Relationship

Reducing, and eventually eliminating, child poverty is a critical step in achieving important child welfare policy

goals like preventing child abuse and neglect, prioritizing and increasing family preservation, and reducing the need for foster care. Too often, poverty and the lack of economic support that exists in communities with low average income contribute to circumstances that may prompt individuals’ involvement in the child welfare system.

The relationship between poverty and neglect is complex. Child neglect, and what is sometimes referred to as “chronic neglect,” can be described as a persistent pattern of severe and inadequate care with long-term impacts on the child. Chronic neglect is highly correlated with poverty, although most people living in poverty do not neglect their children. In analyzing the incidents of chronic neglect, the Children’s Bureau’s Child Welfare Information Gateway issued a paper that describes the stressors on families that come to the attention of CPS due to chronic neglect:

“Several parental stressors are associated with chronic neglect, including poverty, mental health issues, and substance abuse (Tanner & Turney, 2003; Wilson & Horner, 2003). Of all forms of maltreatment, neglect has the strongest relationship to poverty (Loman, 2006). This relationship is not causal but contributory—neglect is strongly associated with measures of socioeconomic disadvantage, which include welfare dependence, homelessness, low levels of education, and single-parent families—as well as limited income... Poverty can be attributed as a risk factor for neglect; and should not be confused with poverty being neglect.”

Research also indicates poverty as a contributing factor to disproportionality in child welfare. A Government Accountability Office (GAO) report found that a higher rate of poverty is among several factors contributing to the higher proportion of African American children entering and remaining in foster care. “Families living in poverty have greater difficulty accessing housing, mental health, and other services needed to keep families stable and children safely at home.” Children of color continue to experience poverty at a rate nearly three times that of White children.

Another GAO report indicates that poverty is contributing factor to children being removed from their homes and placed with kin caregivers. One report stated that, “the economy is a major factor because parents may be unable to keep their jobs or care for themselves ... parents must travel to find employment and leave their children with grandparents.”

According to an American Community Survey in 2018, an estimated 19% of grandparents who are primary caregivers for children lived below the federal poverty threshold and many struggled to pay their own bills, therefore creating additional financial strain when caring for children.

Policy Opportunities to Reduce Child Poverty

Strategies that reduce child poverty, strengthen families, prevent family separation, and reduce children's removal to foster care should be a top priority for our nation. Congress can pass legislation and fund programs that will make significant progress in reducing child poverty this year.

Pass the Child Poverty Reduction Act.

The Child Poverty Reduction Act (H.R. 5629/S. 2906) commits the federal government to cutting child poverty in half within five years. It also charges the executive branch with monitoring our progress in meeting this target and tasks the nonpartisan National Academy of Sciences with analyzing how federal policies contributed to poverty reduction each year.

Child poverty dropped by almost half between 2020 and 2021, reducing from 9.7% to 5.2% —the lowest rate on record – because of the strong federal investment during the COVID-19 pandemic, particularly the expansion of the Child Tax Credit. This incredible progress, though temporary, demonstrates that we know what works in reducing child poverty, making this five-year target an achievable goal. Congress must pass the Child Poverty Reduction Act.

Expand and enhance tax credits available to families with children.

At a time when inflation and the cost of living have both risen dramatically, families are struggling to make ends meet. Skyrocketing costs for housing, child care, food, and other essentials keep families in poverty or on the edge of poverty, where one large, unexpected expense or sudden change of circumstance can push families below the poverty threshold. Tax credits for individuals and families with low incomes help to mitigate these high costs and provide for the basic needs of children and adults.

The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are two of the most effective tools we have that provide financial assistance to working people and pull children out of poverty. Expanding these two credits has helped to stabilize families and reduced the harmful effects of poverty on children who are vulnerable. Congress should expand the EITC benefit for families with children; make

the CTC fully refundable for all families, including immigrant children; and create a Young Child Tax Credit to provide extra support to children ages five and younger—when research says they need it most.

Fund and prioritize concrete and economic supports for families.

Economic and material hardship are among the consistent and significant predictors of child welfare involvement, as the lack of access to basic needs and resources can cause family and caregiver stress and instability. There is ample evidence to support the value of addressing the economic and material hardship faced by most families with child welfare involvement, both as a means of preventing foster care or other out-of-home care and to prevent child abuse and neglect.

Child welfare agencies have a small funding stream in Title IV-B of the Social Security Act to address concrete and economic needs. Congress should substantially increase this funding for states to provide family support services.

However, the child welfare and child protection system cannot be the gateway to obtaining needed human services, including financial and housing services and vital mental health and behavioral health services. The majority of families access concrete and economic supports through systems other than the child welfare system. Supporting, expanding, and investing in these vital programs and services ensures that families can access the resources they need outside of child welfare, without ever having a child protective services case opened, and that they can continue to receive these services after exiting the child welfare system. Congress should:

- Increase the minimum wage to a living wage.
- Increase HUD choice housing vouchers, including the Family Unification Program, and incentivize the creation of more affordable housing.
- Expand early childhood home visiting programs.
- Invest in universal access to high-quality child care and preschool.
- Expand the Supplemental Nutrition Assistance Program (SNAP).
- Enact paid family and medical leave for all families.
- Reauthorize TANF and include poverty reduction of as one of the purposes of TANF as a first step toward TANF reform.

This nation can prevent child abuse, reduce foster care, and build a lasting economic foundation that will strengthen America's families by fully funding these programs that have a record of success.

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