

Reducing Child Poverty

Challenges, evidence and opportunities

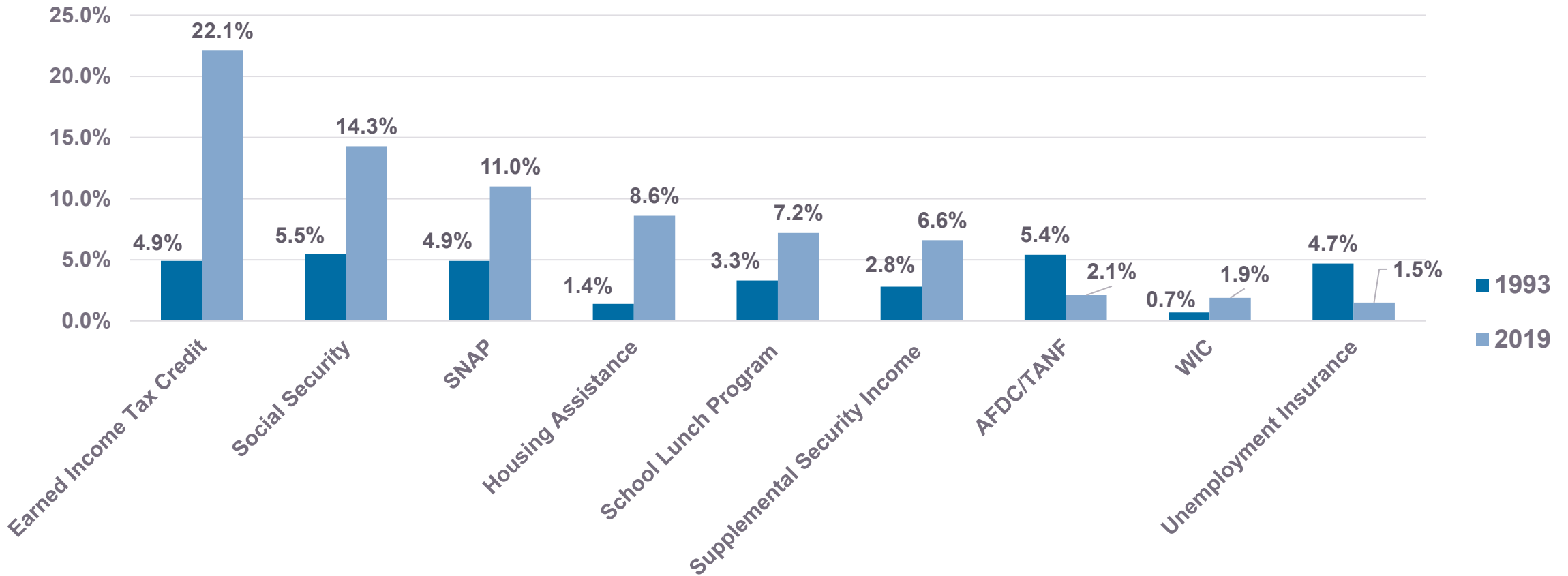
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Oregon Department of Human Services

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National lessons: Proven strategies for reducing child poverty

Percent Decreases in Child Poverty Rates Based on the Supplemental Poverty Measure (SPM), Attributable to Social Safety Net Programs (1993 to 2019)

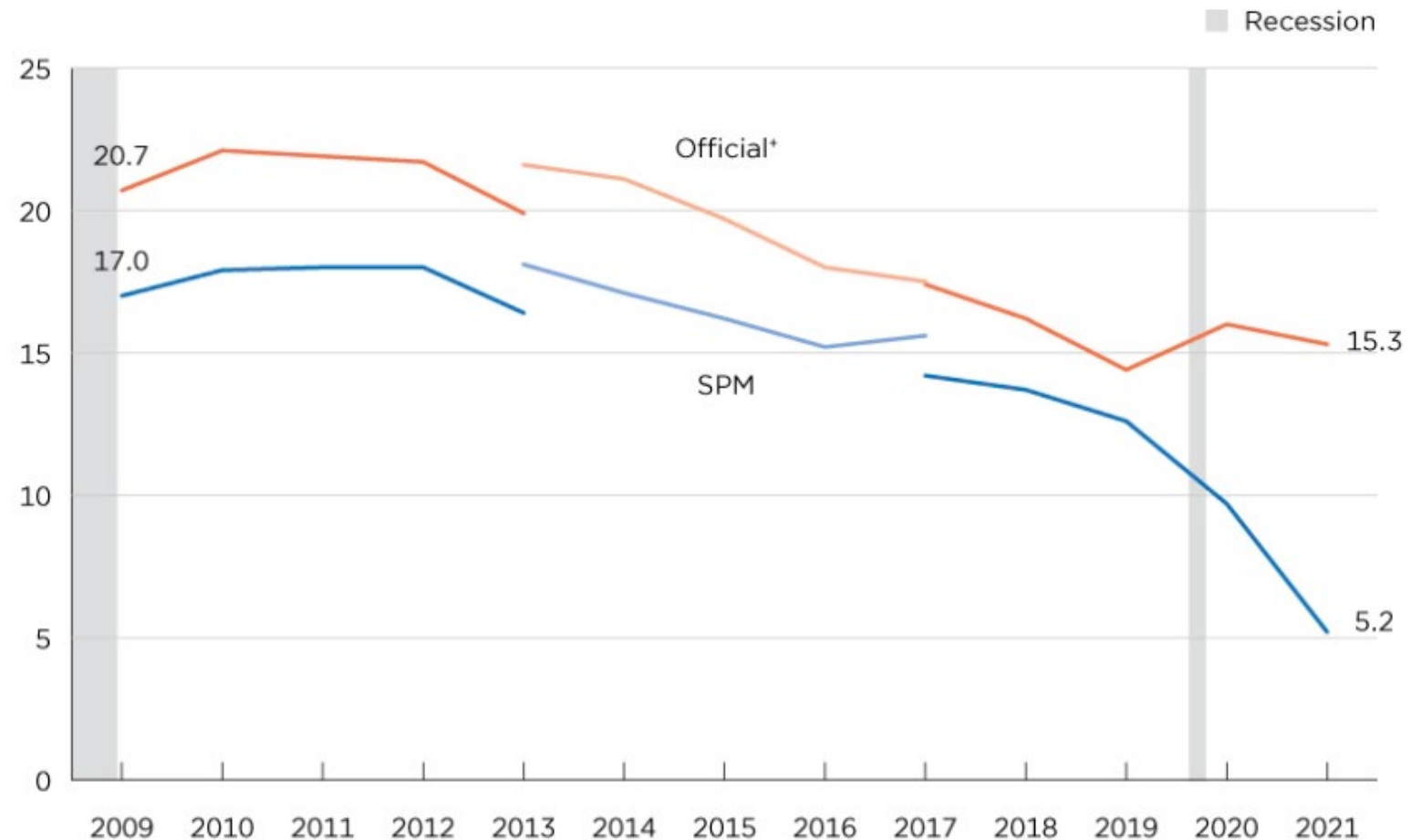


National lessons: The power of cash payments to families

Census data show that the American Rescue Plan's expansion of the **Child Tax Credit**, which for the first time made the full credit available to children in families with the lowest incomes, drove child poverty sharply downward in 2021.

Source: [U.S. Census Bureau, 2022](#).

Child Poverty Rates Using the Official and Supplemental Poverty Measures



- I. Defining poverty
- II. Degrees of poverty
- III. Child poverty in Oregon
- IV. Risks and Opportunities



Defining poverty in the U.S.

The U.S. uses a formula **developed in the 1960s** to determine if someone is living in poverty.

Other than adjustments for inflation, **the formula has remained the same since its inception** and is out of step with today's economic realities.

What is the federal poverty line (FPL)?

For a family of three in 2022:

25%	50%	75%	100%
\$5,758	\$11,515	\$17,273	\$23,030

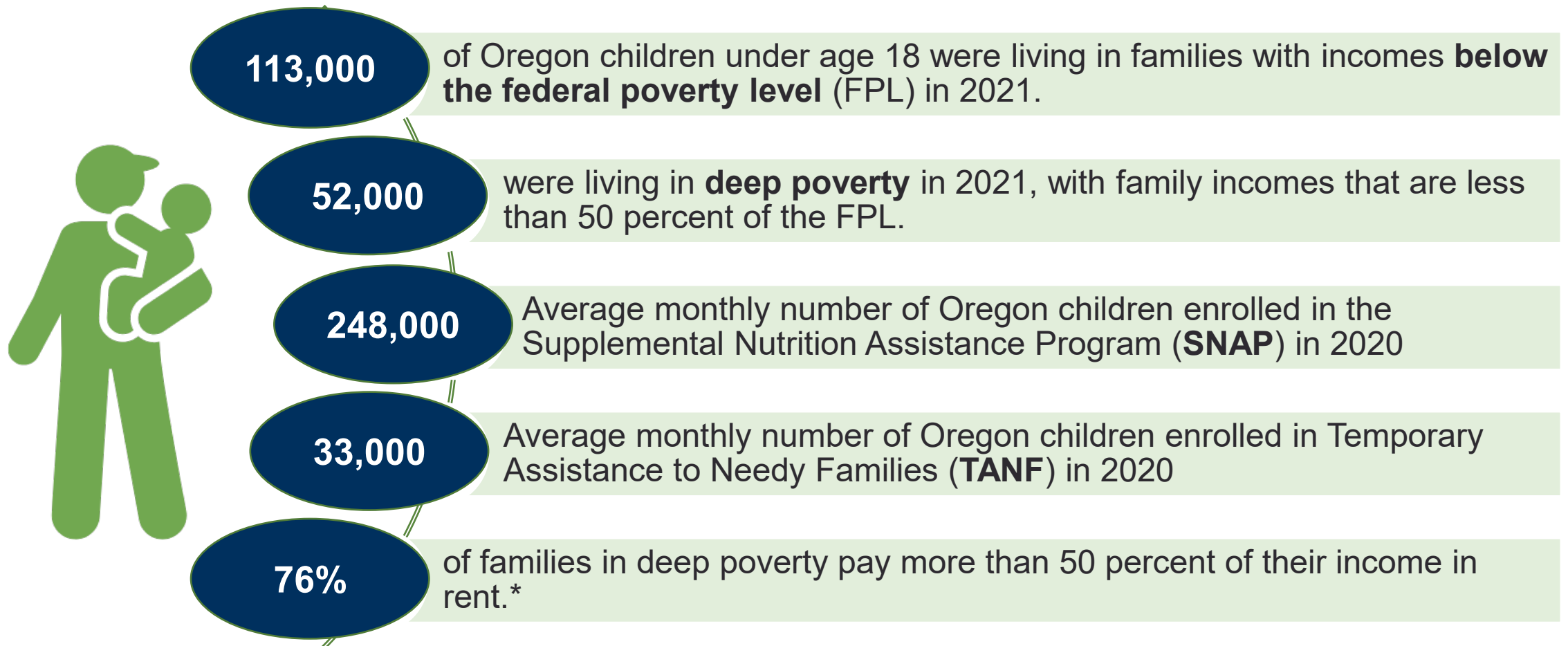
The FPL formula **doesn't take into account** housing, health care, child care or transportation costs, nor does it factor in geographic differences in cost of living.

Levels of poverty matter



Existing social safety net programs affect children in different situations with varying degrees of success ([Child Trends, 2022](#)). **Simply classifying people as ‘in poverty’ or ‘not in poverty’ hinders the development of effective and tailored policy solutions.**

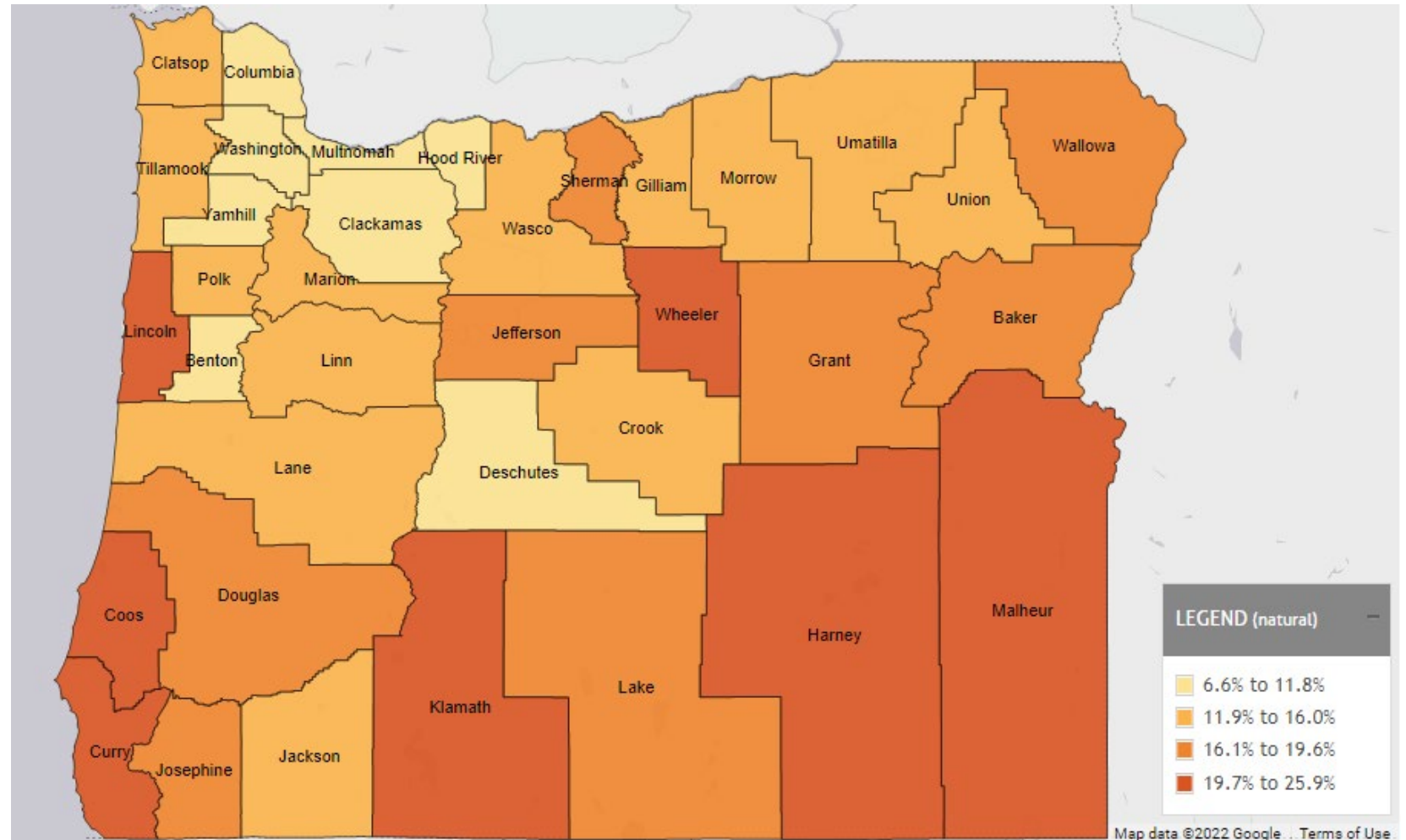
A snapshot of child poverty in Oregon



*National Equity Atlas Rent Debt Dashboard, 2022. All other data from The Annie E. Casey Foundation [KIDS COUNT Data Center, 2022](#).

The geography of child poverty in Oregon

Child poverty rates are higher in Oregon's rural counties.



Improving long-term outcomes for children

Housing supports can have lasting positive effects.

- Living in subsidized housing has been shown to increase adult earnings for children in families with low incomes, with the most significant positive impact on Black and Latinx children ([Urban Institute](#)).

Cash supports may positively affect early childhood brain development.

- A 2021 large-scale U.S. randomized controlled trial found that one year-old children whose mothers received a \$333 monthly cash payment had brain activity associated with higher cognitive functioning compared to infants in the control group ([Chapin Hall](#)).

Food assistance is associated with improved current and long-term health.

- Access to SNAP among pregnant mothers and in early childhood improved birth outcomes and children's long-term health as adults ([Center for Budget and Policy Priorities](#)).

Quality early child care can mitigate the consequences of poverty into adulthood.

- Children from low-income backgrounds who had access to 24 months or more of quality early childhood education in their first five years were more likely to graduate from college and had higher salaries at age 26 ([Bustamante, et. al](#)).

What's at stake:

The well-being of Oregon children

Every child is filled with tremendous promise – and we have a shared obligation to nurture that promise. When we **reduce the financial stressors** that undermine well-being, we **maximize families' capacity** for the strong, caring relationships that support children's healthy development.

ODHS administers programs that present important opportunities for doing this work, including:

- Temporary Assistance to Needy Families (TANF),
- Supplemental Security Income (SSI),
- Housing Stabilization Program (HSP), and
- Youth Experiencing Homelessness Program (YEHP)



Risks:

Expiring benefits, rising housing costs and more

Child Tax Credit

- The expiration of the Child Tax Credit expansion meant an end to this benefit for **192,000 Oregon children**.

[Oregon Center for Public Policy, 2022](#)

Housing Crisis

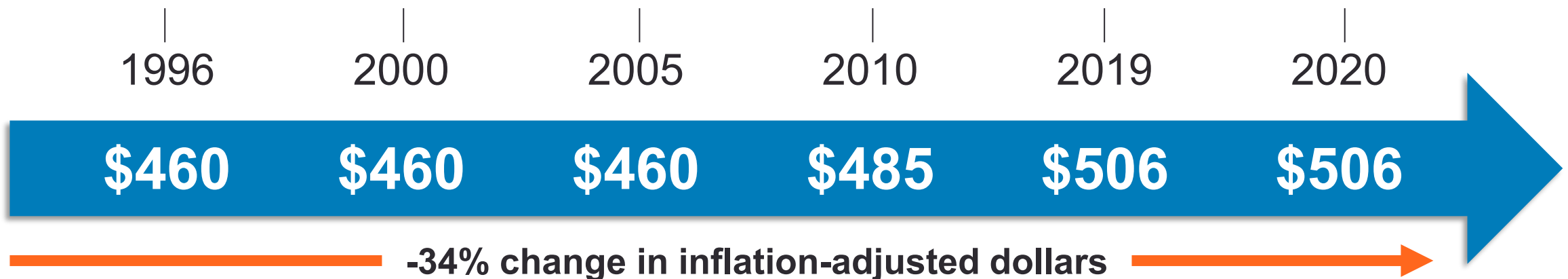
- Oregon is nearly 98,000 rental homes shy of meeting the current need for affordable rentals,* and **housing costs are rising faster than wages.****
- **84,000 children** in Oregon reside in households that are behind on rent.***

Public Health Emergency (PHE)

- When the federal PHE ends, working families of three stand to see a **27 percent reduction in SNAP benefits**.
- **Pandemic EBT and Summer Pandemic EBT** will also be among the lost benefits.

Risk: TANF benefits don't meet families' needs

The maximum monthly cash grant for a family of three has increased \$46 – a mere **10 percent increase since TANF's inception in 1996** and not nearly enough to afford a one-bedroom apartment in any county in Oregon.



Meanwhile, **90 percent** of families receiving TANF have no other monthly income ([ODHS: 2021](#)), and only **13 percent** also receive a housing subsidy ([ACF: 2020](#)), which leaves most at risk of housing hardship and creates significant barriers for families trying to exit poverty.

Risk: Current benefit amounts are insufficient to lift families out of poverty



Meet “Sunny”

Sunny, a TANF recipient and a participant in the JOBS program, is a single mom of two and a domestic violence survivor who has experienced homelessness. She is doing her best to keep her family safe and exit poverty, but without adequate cash supports, she continues to encounter barriers.

“Is there any way to get TANF early? My bank account is drained, and my car insurance couldn't get paid and then they charged me \$33 overdraft fee for not being able to pay \$150. I have \$12 on TANF but I can't withdraw that to put in my account. I'm really stressing over this and I'm not sure what to do.”

Opportunities: Increasing cash payments to families

ODHS is working with the **TANF Redesign Partnership** and the Poverty Relief Task Force to identify and advance strategies for better serving families in poverty.

A key priority is an **increase in the monthly TANF cash grant**. For a family of three, this would mean an increase in the monthly payment from \$506 to \$915.



Supplemental Security Income – which provides cash benefits to people with disabilities and older adults who are experiencing low or no income – is an important resource for families that include children with disabilities.

ODHS seeks to expand our Collaborative Disability Determination Unit to **assist families in applying for SSI benefits**.

Opportunities: Improving housing supports

ODHS is working with community-based organizations to expand the **Housing Stabilization Program (HSP)**.

Key priorities include:

- Investing in culturally specific community-based organizations to provide **housing assistance** for low-income Oregonians.



ODHS is also seeking to expand its **Youth Experiencing Homelessness Program (YEHP)**.

Key priorities include:

- Continuing a **Direct Cash Transfer pilot project** for youth experiencing homelessness,
- Supporting the **Statewide Youth Advisory Board**,
- Providing **paid internships for youth** with lived experience in homelessness.

Opportunities: Expanding child care supports

Affordable and accessible child care is key to supporting stable parental employment and the robust workforce participation of women and other primary caregivers.

In 2023-25, ODHS and the Department of Early Learning and Care are seeking to **expand eligibility for Employment Related Day Care (ERDC) to all children in foster care.**





Questions?
