



## Improving the Odds for Young Children: A Policy Framework for Systems Building

**Helene Stebbins, Project Director, Improving the Odds**  
National Center for Children in Poverty

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**NCCCP** National Center for Children in Poverty  
Columbia University  
MAILMAN SCHOOL OF PUBLIC HEALTH

## National Center for Children in Poverty

*Who we are*

- NCCP is a non-partisan, policy research organization at Columbia University's Mailman School of Public Health.
- NCCP uses research to promote the economic security, health, and well-being of America's low-income children and families.
- Our ultimate goal: Improved outcomes for the next generation.

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## Improving the Odds for Young Children

*Presentation overview*

1. What the research tells us about child development
2. Policy challenges and solutions

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## What the Research Tells Us

1. *Income Matters*
2. *Early experiences have lasting consequences*
3. *Multiple risk factors increase the chances of harmful effects*

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## Income Matters

*The official poverty measure is inadequate*

- The 2008 federal poverty level (100% FPL) is
  - > \$17,600 for a family of 3
  - > \$21,200 for a family of 4
- 20% of America's young children—5 million—live in poor families (100% FPL).
- 43% of America's young children—10.5 million—live in low-income families (200% FPL).
- Research shows that it takes an income of 1.5 to 3 times the poverty level to meet basic family needs.

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## Income Matters

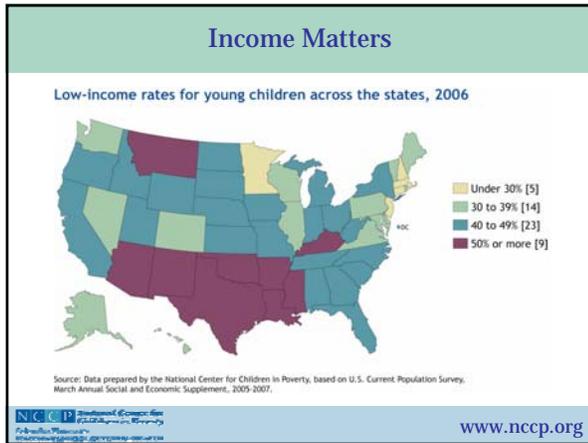
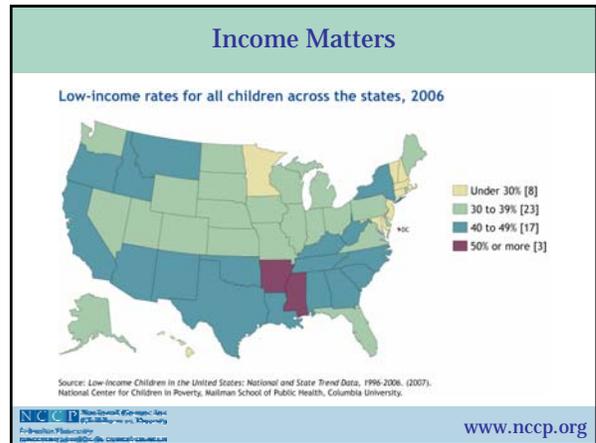
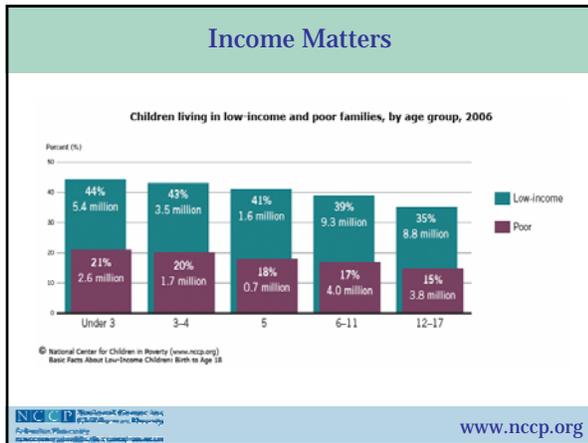
**Basic Needs Budgets:**  
Single Parent with Two Children, 3 and 6 years

	New York, NY	Los Angeles, CA	Chicago, IL	Houston, TX
Rent and utilities	\$14,268	\$15,228	\$11,220	\$9,216
Food	\$5,402	\$5,402	\$5,402	\$5,402
Child care	\$16,896	\$13,554	\$9,924	\$8,060
Health insurance	\$1,812	\$2,430	\$2,212	\$2,566
Transportation	\$840	\$3,197	\$900	\$2,472
Other necessities	\$4,935	\$5,570	\$4,378	\$3,921
Payroll and income taxes	\$9,558	\$5,447	\$2,630	\$813
<b>TOTAL</b>	<b>\$53,711</b>	<b>\$50,828</b>	<b>\$36,666</b>	<b>\$32,452</b>
% of 2007 Federal Poverty Level	313%	296%	214%	189%

Source: NCCP's Basic Needs Budget Calculator

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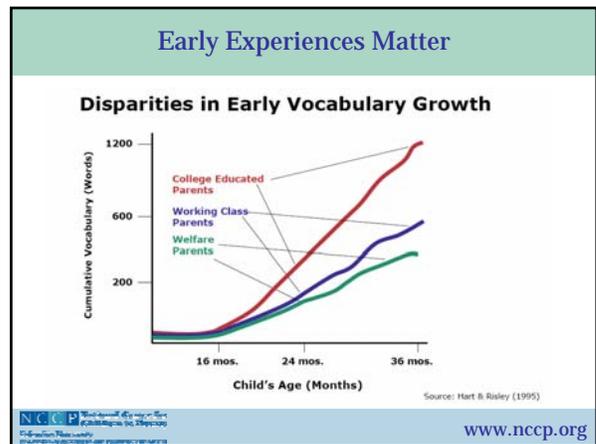
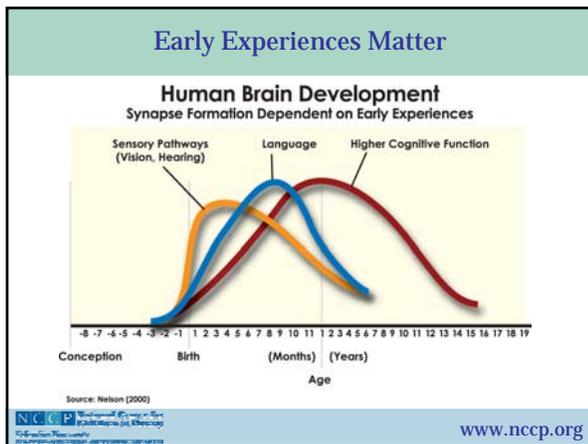
### Income Matters

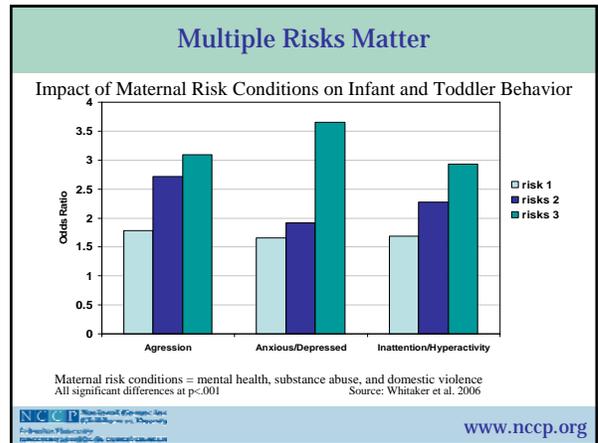
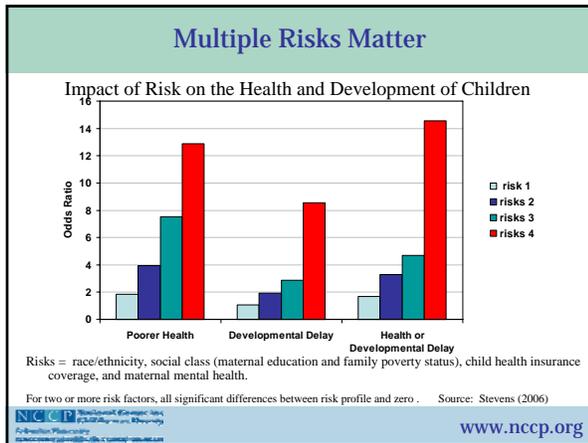
*Poverty is associated with adverse outcomes*

- Poverty can:
  - ♦ impede children's cognitive development and ability to learn
  - ♦ contribute to behavioral, social, and emotional problems
  - ♦ cause and exacerbate poor health
- Effects of poverty on children depend on the timing, duration, and intensity of poverty in childhood. Risks appear to be greatest for children who:
  - ♦ experience poverty when they are young
  - ♦ experience persistent and deep poverty

Source: Wagmiller, et al., 2006

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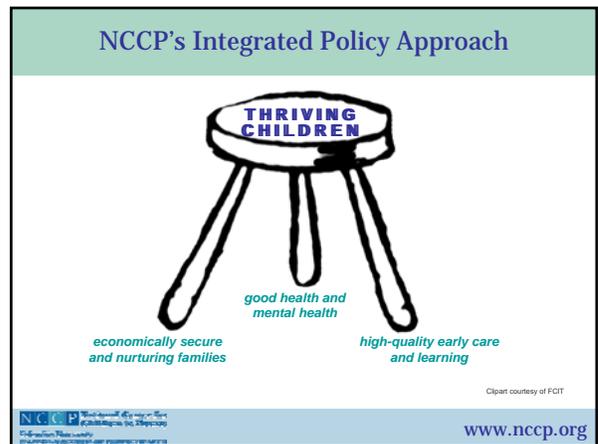


### Part 2

## Policy Challenges and Solutions

[www.nccp.org](http://www.nccp.org)

- ### NCCP's Improving the Odds for Young Children
- Is intended to
    - Sharpen the debate on effective state policies to promote early childhood development
    - Create a national dialogue
  - Is based on
    - existing 50 state data bases, and is not definitive list of what states should be or are doing
  - Provides
    - State-specific and regional profiles
    - A national overview of the state of the states, including recent trends
    - 50-state data tables for comparisons across the states
    - A baseline to monitor trends
- [www.nccp.org](http://www.nccp.org)



## Underlying Principles

- Families earning less than 200 percent of the poverty level may struggle to meet the basic needs of their children.
- State policy choices matter, and can help level the playing field.
- Strong policies in one area can be undermined by weak policies in another (the three-legged stool)
- Research should inform state policies (User Guide)

## Ensure Access to Quality Health Care Services

### Policy challenges

While most low-income children have access to health insurance, their parents do not....

State	Children (0-5) 2006	Working parents 2006
Alabama	200%	26%
Florida	200%	58%
Georgia	235%	55%
Kentucky	200%	66%
Mississippi	200%	33%
North Carolina	200%	54%
South Carolina	185%	97%
Tennessee	250%	80%

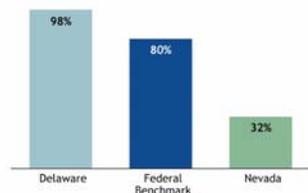
Data presented as a percentage of the federal poverty level (FPL).  
 Sources:  
 2006 data: Donna Cohen Ross, Laura Cox and Caryn Marks, "Resuming the Path to Health Coverage for Children and Parents: A 50-State Update on Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and SCHIP in 2006," Kaiser Commission on Medicaid and the Uninsured, January 2007

## Ensure Access to Quality Health Care Services

### Policy challenges (cont.)

... and Medicaid-insured children are not receiving their well-checks

Young children, ages 3-5 years, on Medicaid receiving at least one EPSDT screen in a 12-month period, 2005



## Ensure Access to Quality Health Care Services

### Policy solutions

- Provide health insurance for low-income children (41 states) AND parents (4 states)
- Supplement the WIC program (9 states)
- Require newborn screening for hearing deficiencies (30 states) and metabolic disorders (18 states)
- Expand eligibility for early intervention services (IDEA, Part C) to include children at-risk of developmental delays (6 states).

## Access to Quality Early Care & Learning

### Policy challenges

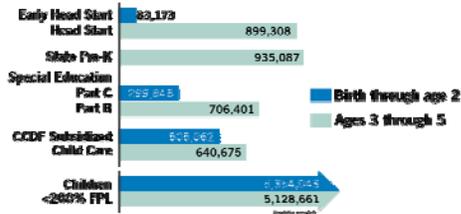
- Access to early care and learning programs is still inadequate, especially for low-income children.
  - 18 states provide access to child care subsidies for young children in low-income families.
  - 10 of these 18 states keep a waiting list because funds are insufficient.
  - 9 states set their reimbursement rate at or above 75 percent of the current market rate.

## Subsidized Child Care Income Eligibility, 2007

State	Income cutoff 2007		Income cutoff 2001	
	As percent of poverty (\$17,170 a year)	As percent of state median income	As percent of poverty (\$14,630 a year)	As percent of state median income
Arkansas	208%	83%	161%	60%
Louisiana	185%	70%	205%	75%
New Mexico	150%	60%	193%	75%
Oklahoma	169%	62%	198%	66%
Texas	145-235%	52-85%	145-250%	47-82%

Source: Karen Schuman and Helen Blank, "Child Care Assistance Policies 2007: Some Steps Forward, More Progress Needed," National Women's Law Center, September 2007.

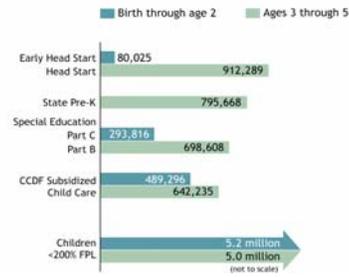
## Federal Early Childhood Development Program Enrollments (2006)



Enrollment in this program, children enrolled in multiple programs are counted in each program, so numbers cannot be added together. The number of children in the above are included in the total number of children in the program. Birth through age 2 includes children in the program who are enrolled in the program for the first time. Birth through age 2 includes children in the program who are enrolled in the program for the first time. Birth through age 2 includes children in the program who are enrolled in the program for the first time.

## Ensure Access to Quality Early Care & Learning

### Federal Early Childhood Development Program Enrollments (2005)



## Ensure Access to Quality Early Care & Learning

### Policy challenges (cont.)

- State child care licensing requirements are not promoting nurturing, high quality care.
  - Although 23 states have child care licensing standards that require infants and toddlers to be assigned a consistent primary care provider.
  - 8 states meet recommended standards for staff/child ratios and maximum class sizes for eighteen-month-old children in child care.
  - 14 states meet the recommended licensing standards for four-year-old children in child care.

## Ensure Access to Quality Early Care & Learning

### Policy solutions

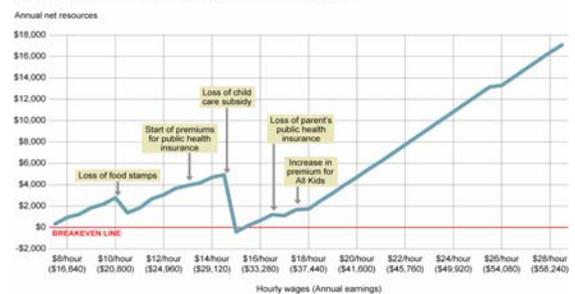
- Improve child care licensing and regulations
- Promote professional development
- Invest in comprehensive early care and education programs, like Early Head Start
- Leverage state pre-kindergarten funds to promote high-quality, full-day, full-year early care and education

## Support Work and Parenting

### Policy challenges for Supporting Work

- Most low-income children have parents who work, but they work in low-wage jobs, and income is inadequate to pay for basic expenses.
  - 56% of low-income children have a parent who works full time, year round.
  - 25% have a parent who works part time or full time for only part of the year (some of whom want but cannot find full-time, year-round work).
  - A full-time, year-round worker earning \$8 an hour earns less than \$17,000 a year.
- Work supports benefits (e.g. EITC, health insurance, child care subsidies) are inadequate and difficult to access.

### Net Family Resources as Earnings Increase, Chicago



Source: Analysis based on NCCP's Family Resource Simulator, Illinois 2006; single parent with two children, ages 3 and 6.

## Support Work and Parenting

### Policy solutions

- Raise the minimum wage above the federal minimum (31 states).
- Use tax policy to increase net income.
  - Offer a refundable state earned income tax credit (15 states)
  - Offer a refundable state dependent care tax credit (13 states)
  - Exempt families earning below the poverty level from state income tax. (36 states for a family of 3)

## NW Family Economic Security Policy Choices

State	State minimum wage [1]	State income tax threshold [2]	Refundable state EITC [3]	Refundable state dependent care tax credit [4]
Alaska	\$ 7.15	No state income tax.	No state income tax.	No
Idaho	none	Up to 105% FPL	No	No
Oregon	\$ 7.80	up to 88% FPL	Yes (5% of federal EITC)	Yes
Washington	\$ 7.93	No state income tax.	No state income tax.	No

Earned Income Tax Credit (EITC): The EITC reduces the amount of income tax low- and moderate-income working families are required to pay, and provides a wage supplement to some families. When refundable, the amount of the credit which exceeds the amount the family owes in federal income taxes, is received as a cash payment.

Sources by column number:

[1] U.S. Department of Labor, Employment Standards Administration, Minimum Wage Laws in the States, 2007

[2] Jason A. Levits, "The Impact of State Income Taxes on Low-income Families in 2006", Table 1A.

[3] Community Resources Information, Inc., TaxCreditResources.org, <http://taxcreditresources.org> (accessed March 20, 2007).

[4] Nancy Duff Campbell, Joan Entmacher, Amy K. Matsui, Cristina Martin Frivada, and Christie Love, "Making Care Less Taxing: Improving State Child and Dependent Care Tax Provisions", National Women's Law Center, 2006.

## Support Work and Parenting

### Policy challenges for supporting parenting

- Few parents, especially low-income parents, can afford to stay home with their newborn and establish a strong relationship.
- Family support and home visiting programs are under-funded and replications do not follow the models that research shows are effective.

## Support Work and Parenting

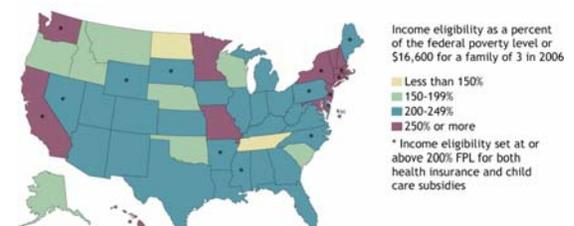
### Policy solutions

- Expand family leave policies
  - 6 states provide paid medical/maternity leave.
- Choose TANF options that allow more time with children when they are young
  - 28 exempt single parents receiving TANF with a child under age 1 from the work requirement.
  - 18 reduce the work requirements for single parents with children under age six.
- Expand home visiting programs

## Putting It All Together

- Income eligibility for health insurance and child care subsidies is uneven across states...
  - ♦ Only 18 states provide access to *both* health insurance and child care subsidies for families earning at or above 200% of the poverty level in 2007.
- ...and within states
  - ♦ 47 states have a higher income eligibility threshold for young children's health insurance than for child care subsidies.
  - ♦ In Missouri, the threshold is almost three times higher for health insurance (300 percent of poverty for young children) than for child care subsidies (110 percent of poverty for a family of three).

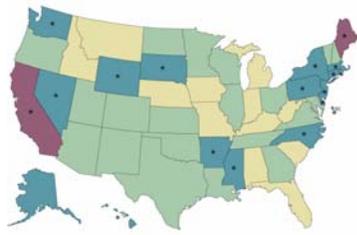
## Medicaid/SCHIP Income Eligibility, Ages 1-5



Note: Illinois, Massachusetts, and Pennsylvania provide state-funded coverage to children that exceed this income level.

Source: Donna Cohen Ross, Laura Cox and Caryn Marks, *Resuming the Path to Health Coverage for Children and Parents: A 50-State Update on Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and SCHIP in 2006*, Kaiser Commission on Medicaid and the Uninsured, January 2007.

## Child Care Subsidy Income Eligibility



Income eligibility as a percent of the federal poverty level or \$17,170 for a family of 3 in 2007

- Less than 150%
- 150-199%
- 200-249%
- 250% or more

\* Income eligibility set at or above 200% FPL for both health insurance and child care subsidies

Note: These percentages represent the income eligibility levels to qualify for a subsidy. Income eligibility does not guarantee a subsidy as funding may not be adequate to meet the demand for subsidies. In Colorado, Texas, and Virginia, income eligibility varies by county but the average rate is in this range.

Source: Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2007: Some Steps Forward, More Progress Needed*, National Women's Law Center, September 2007.



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## For More Information

### Improving the Odds for Young Children

**Helene Stebbins, [stebbins@nccp.org](mailto:stebbins@nccp.org)**

Information about NCCP projects and resources are available at:

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