

October 12, 2015

Talking Points on Ending Child Poverty NOW

The extent of child poverty in the U.S.

- The United States, with the world's largest economy, had the shameful distinction of having the second highest child poverty rate among 35 advanced economies in 2013. We were only ahead of Romania whose economy is 99 percent smaller than ours.
- Children are the poorest age group in America. Nearly 1 in 3 of those who are poor in America is a child.
- More than 15.5 million children are poor – 1 in 5 children. More than 6.8 million children live below half the poverty level – they are extremely poor living in families with annual incomes slightly more than \$12,000 per year – \$235 a week, \$33 a day – for a family of four.
- The younger children are the poorer they are. Nearly 1 in 4 children under age 5 lives in poverty during the years of rapid brain development.
- Children of color are the poorest children. Black children continue to have the highest poverty rate. Nearly 2 in 5 Black children are poor, and nearly 1 in 3 Hispanic children, compared to 1 in 8 White children. More than 2 in 5 Black and nearly 2 in 5 Hispanic babies are poor.

We must end child poverty because poverty hurts children:

- Poverty hurts children and creates opportunity gaps that can last a life time.
- Income related gaps in cognitive skills are observed in babies as early as 9 months and often widen with age.
- By their 4th birthday, poor children have heard 30 million fewer words than their higher income peers.
- Poor preschoolers are less likely to recognize letters, count to 20 or write their first names.
- The more we learn about brain development, the more urgent it becomes to end child poverty particularly for the youngest children. These disparities create an early disadvantage that is often hard to overcome.

Child poverty has substantial economic costs for our nation.

- One major study found that the lost productivity, worsened health and increased crime costs stemming from child poverty total roughly half a trillion dollars a year.
- That half a trillion dollars a year is six times more than it would cost to reduce child poverty right now by 60 percent and Black child poverty by 72 percent.

It is not right, sensible or necessary to have more than 15.5 million poor children in a \$17.3 trillion economy. Benjamin Franklin said it well a long time ago – that the best family policy is a good job.

- Nearly 1 in 3 poor children lives in a family where someone works full-time year-round.
- No family with a parent working full-time should live in poverty in America.

Ending Child Poverty NOW

CDF's 2015 report, [Ending Child Poverty Now](#), shows how relatively modest improvements to policies we know work can be combined to move millions of children out of poverty and benefit 97 percent of all poor children.

- This report has real solutions to a real problem that threatens the lives and futures of millions of our children, and that also gravely threatens the future economic might of America.
- Most of the policies are designed to increase employment and make work pay more, the others are directed at ensuring children's basic needs are met. These are programs and policies we know work, we just need to expand them so more can benefit.
- The nine policy changes would cost just two percent of the federal budget – \$77.2 billion a year.

Our nation can easily afford this amount without raising the federal deficit. For example, we can:

- Close tax loopholes that let U.S. corporations avoid \$90 billion in federal income taxes each year by shifting profits to subsidiaries in tax havens; or
- Eliminate tax breaks for the wealthy by taxing capital gains and dividends at the same rates as wages, saving more than \$84 billion a year; or
- Scrap the F-35 fighter jet program which is several years behind schedule and is still not producing fully functional planes. For the \$1.5 trillion projected costs of this program, the nation could reduce child poverty by 60 percent for 19 years, and break the cycle of poverty.

We must take action now to build the public will to do the right thing and finally get serious about ending child poverty in America, so all children know their lives matter and we improve their chance to succeed. To end child poverty now, we must:

- First, and most importantly, listen and learn from those directly affected by poverty and engage them in any steps we take to move forward.
- Second, read more. Check the [Ending Child Poverty Now brief](#) on CDF's website.
- Third, spread the word. The evidence is clear. We know how to reduce child poverty – and must invest more in what we know works.
- Fourth, urge your elected leaders at all levels to make investments now that could cut child poverty by 60 percent.
- Fifth, don't let others tell you the country can't afford to end child poverty. The truth is we can't afford *not* to end child poverty.