



National Center for Children in Poverty
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State of the Union: Columbia University Think Tank Urges President to Declare War on Economic Insecurity for America's Families

New York – With President Obama's first State of the Union address approaching, the National Center for Children in Poverty (NCCP) at Columbia University asks, how will the nation's domestic issues – specifically, concerns of America's low- and middle- income families – be addressed?

“President Obama can make a positive, lasting impact if he puts America's struggling families at the top of his 2010 agenda,” says Janice L. Cooper, PhD, interim director of NCCP, a research center at Columbia's Mailman School of Public Health. NCCP has for nearly two decades synthesized research on public policy and practice at the federal and individual state levels.

“We believe that the president should declare a *domestic war* on economic insecurity in America,” says Cooper. “He should set benchmarks for dismantling poverty – much like we set benchmarks for measuring progress in our wars in Iraq and Afghanistan. Without strong families at home, America cannot be strong around the world –especially in terms of the other pressing items on our national agenda, such as terrorism, global economics, or human rights.”

Specifically, NCCP recommends:

- ***Full-time work should be enough to support a family.*** For millions of low-wage workers, full-time work alone is not enough to make ends meet. Policies that would better support low-wage workers and their families include expanding earned income tax credits, raising the minimum wage, and increasing access to benefits such as child care subsidies and paid sick leave.
- ***Quality early care and learning experiences improve the odds that children will become productive citizens.*** Children need nurturing parents and caregivers and supportive early learning environments. Programs that target families with infants and toddlers, such as Early Head Start, have been shown to improve children's cognitive development and their behavior, as well as parenting skills. Policymakers should also invest in preschool for 3- and 4-year-olds.
- ***Reducing the costs of basic needs for low-income families.*** Medicaid/SCHIP not only increase access to health care, but also helps families defray often crippling health care costs by providing free or low-cost health insurance. Should health insurance reform actually become law, it might promise to provide more affordable coverage and help prevent families from bankruptcy or debt because of health care costs. But such effects

would not be felt for a few years down the road – so we need to maintain those safety net programs in the meantime. Further, housing is known to be a major expense for families and currently about half of families experience a cost burden of paying rent greater than 30 percent of their income. However, current housing subsidy programs are available for a small percentage of eligible families with inadequate income. Housing subsidies have been shown to be positively related to children’s educational outcomes. Thus, it is important to increase funding for these subsidies for families with children.

- ***Support asset accumulation among low-income families.*** Many American families with children are asset poor, which means they lack sufficient savings to live above the poverty line for three months or more, in the event of unemployment or illness when earnings are not available. Unlike wages, income generated from assets provides a cushion for families.

One way to support asset accumulation among low-income families is to eliminate asset tests from major means-tested programs. This would reduce the risk of running up large amounts of debt and increase the amount of financial resources parents have to invest in children. Additionally, we need to encourage participation in programs that actively promote and encourage the development of saving habits among asset-poor families through matching funds incentives, such as the Individual Development Accounts (IDA) program and the Saving for Education, Entrepreneurship, and Down-payment (SEED) National Initiative programs.

“With so many people hurting financially, we urge the president to use his State of the Union Address to propose and begin the implementation of policies that dismantle America’s growing economic insecurity,” says Cooper. “We can think of nothing more noble or more worthy for Mr. Obama’s second year in office than to make a genuine commitment to America’s hard-working families.”

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The National Center for Children in Poverty (NCCP) is the nation’s leading public policy center dedicated to promoting the economic security, health and well-being of America’s low-income families and children. Part of Columbia University’s Mailman School of Public Health, NCCP uses research to inform policy and practice with the goal of ensuring positive outcomes for the next generation.