FOR IMMEDIATE RELEASE
January 7, 2008
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NCCP: ’07 ISSUES PORTEND CONTINUED HARD TIMES IN ’08 FOR LOW-INCOME WORKING AMERICANS
Trends seen in housing, wages, health care, family leave

New York City – For 2008, America’s low-wage workers can, unfortunately, expect continued struggles, if findings from a broad spectrum of research last year are any indication, says the National Center for Children in Poverty at Columbia University (NCCP).

“In this election year, there is abundant evidence that economic insecurity in America is a serious, multi-pronged problem – this is not just a tangential issue affecting only a few,” says Jane Knitzer, EdD, executive director of NCCP. “Hopefully the issues plaguing low- and middle-income families will be front and center as this election year unfolds.”

NCCP, which has for nearly two decades synthesized research on public policy and practice at the federal and individual state levels, has been keeping an eye on a variety of trends affecting working families, such as income, housing, health care, child care and family leave. Here are some of their 2007 findings with indications for the new year:

Income:

• 36.5 million Americans, or roughly one in eight, live in poverty. Of those, roughly 13 million are children. The federal poverty level is $20,650 for a family of four. After a decade of decline, the proportion of young children living in low-income families is rising again, a trend that began in 2000. Between 2000 and 2006, the number of children of all ages who were poor increased by 11%. During the same period, the number of children under age 6 who were poor increased by 18%.

• Income increased by about $180,000 for the top one percent of Americans; by $400 for middle-income Americans; and $200 for lower-income Americans.

• Median income for working-age households went up slightly but is still well below where it was in 2000, before the recession, and even 2001, at the worst of the recession.

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Housing:

- The share of mortgages in foreclosure at the end of the third quarter of 2007 was at an historic high. The number of homeowners who received foreclosure notices in 2007 was more than double the number in 2005. Of these, 846,000 were homeowners who had subprime mortgages.

- Minority homeowners hold a disproportionate share of subprime mortgages.

Health Care:

- For the second year in a row, the number of uninsured children increased – to 9.4 million children. (Previously, coverage rates for children had been increasing since the late 1990s). Over the past two years, the number of uninsured children has increased by over one million.

- The number of people lacking health insurance rose to 47 million in 2006, or 15.8 percent of the population. There were about seven million more uninsured people in 2006 than in 2001. The main cause of the recent rise in the ranks of the uninsured is the erosion of employer-based health care coverage as the cost of health care and insurance premiums have increased.

- More than 40 million people – 19 percent of adults aged 19 and older – failed to receive one or more types of needed health care services at some point over the prior 12 months because they could not afford it. (This includes medical care, dental care, mental health care, prescription drugs or eyeglasses.)

- While Washington did not reauthorize critical public health insurance coverage for children (the State Children's Health Insurance Program), rates of employer-sponsored health insurance coverage declined for both children and adults. Following the lead of Massachusetts and Illinois, several additional states considered ways to expand affordable health care coverage to more people.

Child Care:

- Access to state-funded pre-kindergarten is growing, but access to high-quality child care is still inadequate, especially for low-income children. Between 2001 and 2006 half of the states reduced income eligibility for child care subsidies; 11 did so while increasing funding for pre-kindergarten programs.

- Only 16 states provide access to child care subsidies for families earning less than twice the federal poverty level, or about $41,000 a year for a family of four.
Access to a child care subsidy does not guarantee a subsidy, and five of the 16 states keep a waiting list because funds are insufficient to serve eligible families.

State childcare licensing requirements are not promoting nurturing, high-quality care. Only eight states meet recommended child care licensing standards for toddlers, and only 14 states meet them for 4-year-old children.

**Family Leave:**

- In the spring of 2007, Washington State enacted the nation’s second paid family leave program, to begin in October of 2009. Washington joins California as the only two states to guarantee paid family leave to certain private sector workers.

- Other states that considered adopting paid family leave in 2007 included Illinois, Massachusetts, New Jersey, New York, Oregon, and Texas.

- In addition, several states and localities are working to enact legislation that guarantees a minimum number of paid sick days for all employees following the success of a 2006 San Francisco ballot initiative guaranteeing paid sick days. Legislation on paid sick days was introduced in 13 state legislatures in 2007.

“I am optimistic that things can change for the many Americans who truly have been left out of the American dream, but unfortunately I don’t get the sense that it’s been a high priority for our leaders in Washington,” says Dr. Knitzer. “Maybe the 2008 elections will usher in a team of national leaders who will put economic security for working families at the top of their list of priorities.”

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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.*