



Summary of Testimony of Jane Knitzer, Ed.D. Director, National Center for Children in Poverty, Mailman School of Public Health Columbia University

On Wednesday, January 24, 2007, Jane Knitzer, NCCP's Director, testified before the House Committee on Ways and Means on the economic impacts of child poverty. Dr. Knitzer's testimony emphasizes what we need to do for the next generation now to ensure the future productivity of our economy. The full testimony is also available as a PDF.

Thank you, Mr. Chairman and members of the committee for this invitation to testify today. I am the Director of the National Center for Children in Poverty (NCCP).

I am going to focus my remarks on eight key take-home messages from demographics and research about how to focus policies to improve productivity of the next generation and then highlight four broad implications for policy.

- We are talking about a large part of the future work force. 39 percent of America's children—more than 28 million children—live in low-income families, that is, in families with income at or below twice the poverty level. Research shows it takes \$40,000 for a family of four to provide even basic necessities.
- Most low-income children have parents who work—55 percent of them full-time, full-year. The problem is they do not earn enough money to support a family, or, even if they earn more, they lose benefits and so may be no better off, even if they earn twice as much. The children do not see that working means getting ahead.
- The younger the child, the greater the risk of poverty. 42 percent of children under age 6 live in low-income families, whereas 33 percent of adolescents live in such families. Half the states have early childhood poverty rates of more than 20 percent. Research tells us that experiencing poverty in early childhood, along with persistent poverty, is the most harmful to children.
- There is considerable variation in the rates of children experiencing economic hardship across the states—in the Committee Members' states, low-income rates range from 24 to 44 percent, suggesting the need for a combined state and federal poverty reduction agenda.
- Economic hardship has been linked to a myriad of adverse educational, health, and other outcomes for children that limit future productivity. These children are less likely to be healthy, which impacts learning. For them, the achievement gap starts very early—one study found that at age 4 poor children are 18 months behind developmentally and the gap is still there at age 10. Two-thirds of youth with mental health problems drop out of high school. They become part of the disengaged youth population.

- More than a decade of research shows that increasing the incomes of low-income families—without any other changes—can positively affect child development, especially for younger children. Put differently, money matters for child development. Families with more money invest more in material resources that promote learning for their children. Parents with more money are also likely to be less stressed and depressed, both of which have been linked to poor social and emotional outcomes for children.
- The earliest relationships matter, more than we ever understood. Neuroscientists are teaching us that the earliest relationships and experiences shape the hard wiring of the brain, which in turn shape later learning, the ability to manage emotions, and even the immune system. Once brain circuits are built, it becomes harder to change them. For poor children, too often these early experiences do not provide them with what they need to thrive.
- According to economists, high-quality early experiences can have major long-term economic pay offs. In one program it was estimated that participants earned on the average \$20,000 more and saved the state \$19,000 in remediation and criminal justice costs. Another analysis by Dr. James Heckman, a Nobel Prize winner, suggested that the odds of completing high school rose from 39 percent to 53 percent for children exposed to preschool.

So, the take-home messages.

For future productivity, make work pay for children and families now. Now, as families work more, which is the American way, they lose work support benefits, which can actually lead to a family doing worse. Data from a tool NCCP has developed shows that in cities across the country, even if families earn twice as much money, they may end up not substantially better off.

Make sure that all low-income young children enter school with the skills that they need to learn, whatever setting they are in and regardless of the work status of their parents. The states are moving to increase funding for pre-k but still, only 17 percent of 4-year-olds have access to state-funded pre-k. Many states include child care in these programs, but only 20 states certify eligibility for child care for one year, leaving too many without continuity of learning or relationships.

Invest in infants and toddlers and their families starting with an expansion of Early Head Start. Only 62,000 babies are in Early Head Start, even though research shows positive impacts, especially for those who continue to have quality early learning experiences from birth to age 5 (as was the case in the high-quality demonstration programs). For the poorest children, waiting until age 4 is too late.

For the highest risk children, particularly those in poverty and extreme poverty, we need to consistently make both parenting and work a focus of our policies, right now, rather than just work or just children. In TANF, “barriers to employment”—low education, poor work histories, substance abuse, and domestic violence are recognized. These “barriers to employment” are also “barriers to effective child development” and hence to future productivity of the children. Our policies need to deal with parents and children in these families.

Thank you very much. I would be happy to respond to any questions or provide additional information.