



PUBLIC CITIZENS FOR CHILDREN AND YOUTH
Testimony of Kathy Fisher
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Hearing on Homeless Children
Committee on Education
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Good afternoon, my name is Kathy Fisher. I am the Family Economic Security Director at PCCY – Public Citizens for Children and Youth. While our work is focused on children in the southeastern part of Pennsylvania – Bucks, Chester, Delaware, Montgomery and Philadelphia counties, our efforts to improve policies, programs and resources for children results in advocacy at the local, state and federal levels.

My testimony touches upon each of these, as the funding continuum between different levels of government clearly impact each other. The bottom line is: greater investments in our children are needed at every level for us to build a bright and stable economic future.

You’ve heard from Staci and Joe about the tremendous costs child homelessness contributes to – primarily costs to society in terms of government spending. But I also don’t want you to lose sight of costs to children in terms of lost opportunity and untapped human potential. Children can’t wait for a better economy or a better budget season. We need to find ways now to provide supports that we know make a difference.

The cost figures provided in the report are based on the 9,027 children served by emergency and transitional housing programs in Pennsylvania during 2011. But there are hundreds of thousands of children in the Commonwealth living on the margins of homelessness – doubled up with family or friends, living in motels, and all too often in unstable arrangements that cause a great deal of disruption to children’s lives. These families are often just one paycheck, one health crisis, one unaffordable car repair away from facing eviction or foreclosure.

First, I will walk you through some basic data on Pennsylvania as a whole, as well as some specifically on children. What does the data show? We are headed in the wrong direction – and not just as a result of the recession’s impact, but due to trends that began before the recession.

Just last week, the Census Bureau released 2011 national and state level data. It showed not only that family incomes have not bounced back from pre-recession levels, but that in fact families have lost income this entire decade. Many families are struggling.

Now, onto those whose struggles are the greatest, and for whom the climb to economic security is the steepest: those in poverty. Poverty is a term thrown out a lot, but what exactly is it? Dollars and cents, it is: \$23,050 for a family of four annually, or \$1,921 to make ends meet each month.

The poverty income guidelines were developed decades ago based on a “minimally adequate diet” taking up one-third of family income, far before many of today’s costs such as health care premium contributions and co-pays existed, and before others such as transportation and utility costs increased.

It is widely accepted that to achieve family economic security – a family being able to make ends meet without assistance for basic needs, income closer to 200% poverty (more in some parts of the state) is necessary. For families and children experiencing or at risk of homelessness, supports and services are needed for them to permanently climb out of poverty.

Not surprisingly, if median income is dropping instead of rising, more families are falling into poverty. Pennsylvania’s poverty rate is now 12.4% - a rate that is more than one-third higher than in 2000-01. Income inequality, too, has gained greater attention, and rightfully so. Not only has the poverty rate increased, but those who are poor are even poorer.

The increase in poverty holds true for children as well. Even in more affluent counties, child poverty has increased not only from pre-recession levels but since 2000. Again, not surprisingly, the increase in deep poverty rates also impacts our children.

I know you are state legislators. You determine Pennsylvania’s budget, not the federal one. And, the delicate balance of shared state/federal responsibilities, investments, mandates, etc. is complicated. However, there is no doubt that Congressional efforts to reduce the deficit, at this point primarily through spending cuts, will shift costs to states. If you think this year’s state budget was tight, with fewer federal dollars, FY2013 may be even worse.

If sequestration proceeds, here are some examples of cuts (see appendix). If Congress reaches a compromise, some cuts may be lessened but some may remain. The state and local municipalities will be the ones expected to respond to immediate needs and plug the gaps in services and supports.

A quick examination of the 2012-13 state budget reveals that state spending was reduced in several areas that impact children and families. To make matters worse, it just so happens that the anticipated federal cuts will largely fall in areas that have already suffered cuts in the state budget over the last few years.

Cuts in basic supports and services in one area has a ripple effect. Recent eliminations of GA and AdultBasic, the 10 percent cut to Human Services (HSDF pilot block grant), cuts to child care supports, and more, leave programs – and therefore those in need – competing for limited funding. This will have a huge impact on services and supports for children and families.

I am providing all of this information not to overwhelm you with the enormity of the challenges facing children and families, but as a backdrop to urge your consideration of greater investments in children. If solving poverty were easy, it would have already happened. But, there are clear investments that can be made to lessen poverty's impact on children. Not only do these investments help children prepare for a healthy adulthood, but they lessen public costs in the future.

There are many clear examples of where investments in children are proven to make a difference. I will focus on two: Early Childhood Education, and Lead Poisoning Prevention. Sadly, in each of these areas, budget choices are headed in the wrong direction.

Children who participate in high quality ECE are more likely to graduate from high school and hold jobs and less likely to be involved with the juvenile justice system. Every dollar invested saves \$8-17 in future grade retention, special education, criminal justice and welfare costs. Yet, over the last four years, state funding for core early learning programs has declined more than 20 percent. Funding cuts mean fewer children access quality ECE and fewer parents receive a crucial work support. It also lessens supports for teacher training and quality improvements.

Lead poisoning prevention, too, is an area where investments clearly matter. Federal funding is diminishing. State level funding and policies do not adequately support comprehensive screening of all children and treatment of those affected. Much more can be done to prevent the permanent damage and costs.

Cutting investments in education and jobs puts children and families at risk today and jeopardizes our economic future. There is a tremendous amount of research showing that investments in children make a difference, yet there continues to be a lack of resources supporting what works.

In conclusion: We must make wiser choices. We are making the wrong budget choices. Investing in children is essential for improving economic stability and growth. I thank you for the opportunity to testify, and urge you to consider the short- and long-term consequences for children in all decisions on state spending, revenues, as well as in creating more efficient programs.

Investments in Children Must be a Priority

*We must support kids today in order to
build a bright and stable economic future.*



Data shows: Far too many Pennsylvania families and children are at-risk

- Hundreds of thousands of PA families are one missed paycheck, one health issue, one unaffordable car repair away from eviction or foreclosure
- Preventing homelessness itself is clearly a key strategy.
- Providing comprehensive services to families and children experiencing homelessness, as well as those at risk, is equally important.

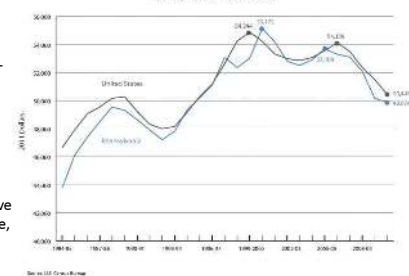
Overview: Families Are Struggling

- The recession has clearly had an impact, but families have long been struggling with low wages, stagnant – or declining – incomes, and often diminishing or no benefits.
- National and Pennsylvania median household incomes have declined not just since the start of the recession, but over the past decade.
- National and Pennsylvania poverty levels have risen. Children are more likely to be in poverty than any other age group.
- Poverty is a challenge throughout the state, not exclusively an urban or rural problem

Pennsylvania's Median Household Income

- In 2010-11 median household income was \$49,874, 6.4% lower than pre-recession, dropping more than \$3,400.
- This is just a portion of the 9.6% decline over the past decade, a loss of \$5,298 (a drop from \$55,172).

Figure 4. Median Household Income, Pennsylvania and U.S., 1984-2011
(two-year moving average)



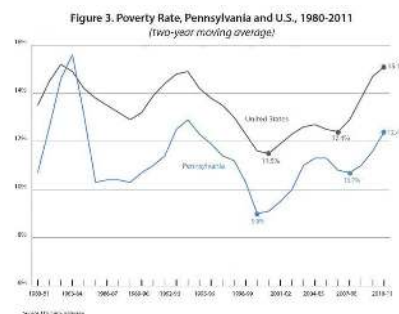
Poverty Basics

- Earnings at many service industry jobs, which often offer no benefits, leave many working families in poverty.
- 40 hours/week, 50 weeks/year at \$10 (38% above minimum wage) = \$20,000 annually, \$1,667/month.
- Many consider 200% of poverty a more accurate estimate of what a family needs just to meet its basic needs.

Federal Poverty Income Guidelines, 2012		
Size of Family	Annual Income	Monthly Income
1	\$11,170	\$931
2	\$15,130	\$1,261
3	\$19,090	\$1,591
4	\$23,050	\$1,921
5	\$27,010	\$2,251
6	\$30,970	\$2,581

Pennsylvania's Poverty Rate

- At 12.4% in 2010-11, poverty is higher than pre-recession rate of 10.8% in 2006-07.
- Poverty has increased significantly from the 9.1% rate in 2000-01.
- The increase over the last decade is true both in Pennsylvania and nationally.



Child Poverty in Southeastern PA

CHILD POVERTY RATE, Southeastern PA Counties, (under age 18)						
County	2010	2009	2008	2007	2006	2000*
Bucks	7.6%	3.0%	6.3%	5.3%	5.4%	4.8%
Chester	7.6%	6.8%	5.3%	4.7%	6.1%	5.1%
Delaware	13.5%	14.0%	13.1%	13.2%	12.1%	10.0%
Montgomery	6.5%	6.1%	7.3%	5.9%	6.8%	4.6%
Philadelphia	36.4%	33.2%	32.5%	34.8%	35.3%	31.3%

*Poverty level = \$22,350 for a family of four.
Source: U.S. Census Bureau, American Community Survey for data years 2006-2010; Census 2000, Summary File 3, for data in 2000.

- A total of 522,000 children in Pennsylvania were in poverty (19%) in 2010, up from 14.1% in 2000.
- 2011 county level poverty data will be released by the Census Bureau later this week (9/20)

Deep Poverty in Southeastern PA

Children in Poverty and Deep Poverty in Southeastern PA Counties, 2010						
County	Total Child population (under age 18)	# Children in Poverty	# Children in Deep Poverty	2010 Child Poverty Rate (considering all children)	2010 Child Deep Poverty Rate (considering only children below the poverty line)	Poor Children in Deep Poverty (considering only children below the poverty line)
Bucks	140,896	10,709	4,582	7.6%	3.3%	42.8%
Chester	122,960	9,287	3,435	7.6%	2.8%	37.0%
Delaware	128,731	17,343	7,600	13.5%	5.9%	43.8%
Montgomery	181,378	11,873	4,666	6.5%	2.6%	39.3%
Philadelphia	338,982	123,467	64,464	36.4%	19.0%	52.2%
5-County Region	912,947	172,679	84,747	18.9%	9.3%	49.1%

*Deep Poverty = \$11,175 for a family of four (half the poverty line).
Source: U.S. Census Bureau, 2010 American Community Survey.

- "Deep poverty" is less than half of the poverty line, \$11,175 a year (\$931 per month) for a family of four.
- 230,000 PA children were in deep poverty in 2010 (8%).
- This means nearly half of the poor children in Pennsylvania, as well as in each SEPA county, are extremely poor.