

The Basics

- **Child poverty stands at 7.3 percent, with more than one-third of these children living below half the poverty line.**
- **The share of children living in low-income families has increased 17 percent since 2008.**
- **53 percent more children received Food Stamps (SNAP) from FY2009-10 to FY2012-13.**
- **40 percent of those benefiting from Food Stamps (SNAP) are children.**
- **The share of students eligible for free- and reduced-price school meals increased 35 percent from 2008-2012.**
- **Just 18 percent of eligible low-income students received school breakfast in 2012.**

The Bottom Line Is Children Economic and Food Security In Montgomery County



In Montgomery County, like many communities across America, the trend of a widening gap between those at the high- and low-ends of the income spectrum continues. Recovery from the recession has been slow and uneven, making it difficult for some to find jobs that provide family-sustaining wages. As the cost of living continues to rise, many families with children are caught between a rock and a hard place.

When children are suffering from hunger and food insecurity the impact is immediate and lasting. In 2010, *Hunger in America* found that nationally, the cost “of

increased poor educational outcomes and lost lifetime earnings as a result of hunger and food insecurity was \$19.2 billion.”¹

With a greater number of families facing a day-to-day struggle to stretch their budgets to cover expenses, Montgomery County needs to consider how federal safety net programs intended to protect and support children can reach more families who need them. Ensuring that children grow up healthy and prepared will help assure both the short- and long-term economic stability of the county.

This report is Public Citizens for Children and Youth's analysis of the economic well-being of children and their access to key supports. We provide data on child poverty, family income, child hunger, and programs that respond to these issues, including food stamps (SNAP), school meals, and tax credits for low-income families.

Data reflect trends and do not alone determine child outcomes as individual children may overcome great disadvantages. But we know all too well that children born into poverty are highly likely to remain poor as adults, contributing to the growing inequity in our communities. Our intention is to provide information for action, so that thousands of Montgomery County children have the basics they need to achieve bright futures.

The Basics

Montgomery County is home to 178,248 children, 23 percent of the county's 788,180 residents. Thirty-one percent of children (55,190) are under age six, 33 percent (58,447) are age six through 11, and 36 percent (64,611) are age 12 through 17.

Throughout this report, we use census figures to show the financial status of children's families using the terms deep poverty, poverty and low-income.² These terms³ equate to the following:

Terms Used to Describe Family Income

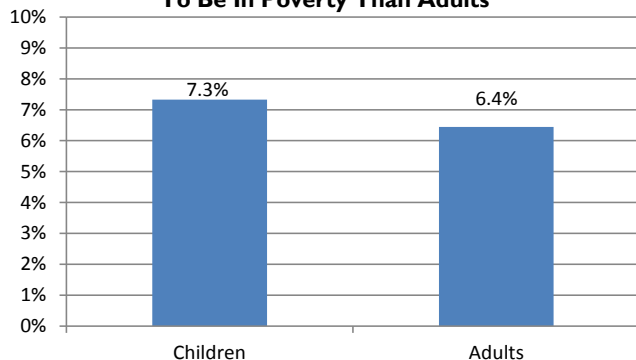
Family Size	Deep Poverty: <i>Income below 50% poverty</i>	Poverty: <i>Income below 100% poverty</i>	Low-Income: <i>185% poverty</i>
2	\$7,755	\$15,510	\$28,694
3	\$9,765	\$19,530	\$36,131
4	\$11,775	\$23,550	\$43,568
5	\$13,785	\$27,570	\$51,005

Montgomery County Children and Family Economic Security

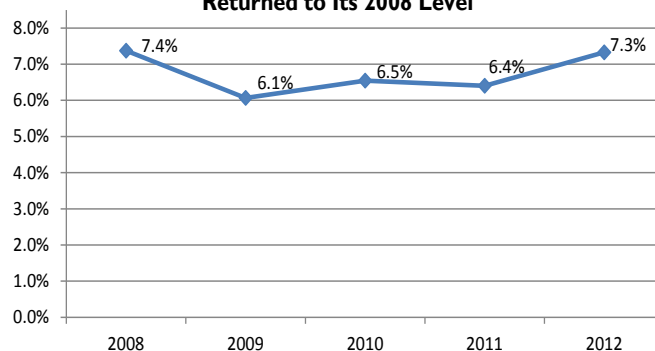
Montgomery County children are more likely to be in poverty than adults. Not only are children more likely to be poor than adults, the share of Montgomery County children living in poverty has risen in recent years, and in 2012 returned to its 2008 level. Over 13,000 of the County's children (7.3 percent) are living in poverty.⁴ At the lowest end of the income scale, over 4,500 of the county's

children live in "deep poverty" (less than half the poverty line, or \$11,775 annually, for a family of four). Overcoming challenges created by poverty is an uphill climb, with the journey all the more steep for children who experience deep poverty. The prolonged and difficult economic struggle they endure can result in severe long-term ramifications as these children grow into adulthood.

Montgomery County Children Are More Likely To Be In Poverty Than Adults



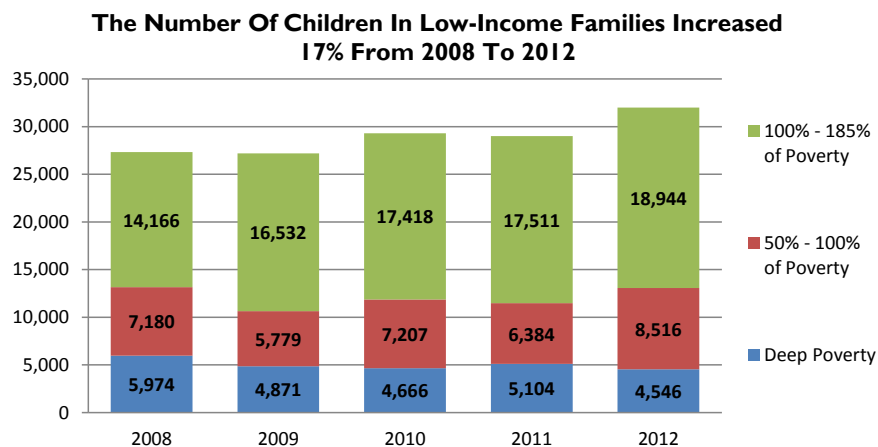
Montgomery County Child Poverty Has Returned to Its 2008 Level



Child Poverty In Montgomery County Is On The Rise

The number of children in low-income families has increased 17 percent from 2008 to 2012. In all, 32,000 of Montgomery County children live in low-income families. This means a larger share of Montgomery County families are losing ground and facing greater challenges in meeting children's basic

needs – food, clothing, and shelter. This trend is occurring in a wide range of communities across the county, as can be seen in the rising share of students eligible for free and reduced-price school meals in affluent and less affluent school districts alike.⁵



Child Hunger Impacts 13% Of Montgomery County Children

One of the most tragic results of poverty is hunger. Insufficient nutrition is one of the most basic and formidable challenges standing in the way of children's well-being. Not having enough nutritious food compromises a child's healthy development—both physically and psychologically. According to the USDA, food insecurity occurs when people do not have access to enough food to maintain an active and healthy lifestyle. In Montgomery County, food insecurity impacts 13 percent of children.⁶

Children suffer not only the immediate consequences of hunger, but are more likely than their food secure peers to experience higher rates of educational problems including missed days of school, suspension and the need to repeat a grade. These and other adverse outcomes lead to a greater

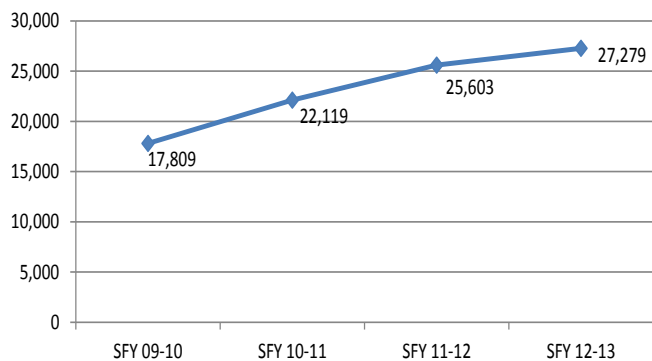
likelihood of school failure or dropping out. Ultimately, food insecurity exacts a huge cost as it contributes to a greater likelihood of limited employability, lessened workforce productivity, poorer job performance, and \$260,000 lower lifetime earnings.⁷

To protect children from the damage insufficient access to nutritious food can cause, there are several federal programs that provide them basic nutrition. These programs can help lessen the blow of a widespread recession, but only if children are able to access their benefits. The following is an analysis of Montgomery County children's participation in the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) and school meals.

Supplemental Nutrition Assistance Program (SNAP) Helped Meet Rising Needs

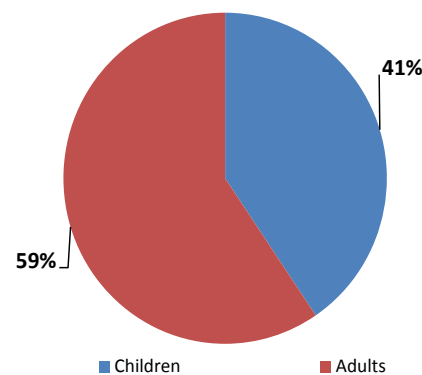
From FY 2009-10 to FY 2012-13, the number of Montgomery County children served by SNAP increased 53 percent.⁸ As designed, SNAP met increased need and provided crucial dollars for groceries for many families that faced unemployment, reduced hours, reduced wages, or some combination of those challenges brought on by the recession. In addition, in 2009 Pennsylvania joined a majority of states in adopting federal options, which were made available in 2002, that allow the program to be more responsive to families whose high housing, medical and child care costs take a large share of their monthly income.⁹ SNAP has benefitted not only these families, but also helps support the Montgomery County economy. Each dollar of SNAP is estimated to generate \$1.73 in economic activity.¹⁰

The Number Of Children Enrolled In SNAP Increased 53 Percent From FY 2009-10 to 2012-13



Children make up less than one-quarter of the county's population, yet they represent 41 percent of those receiving help from SNAP.¹¹

Children Are 23% of Montgomery County's Population, But Are 41% Of Its SNAP Participants



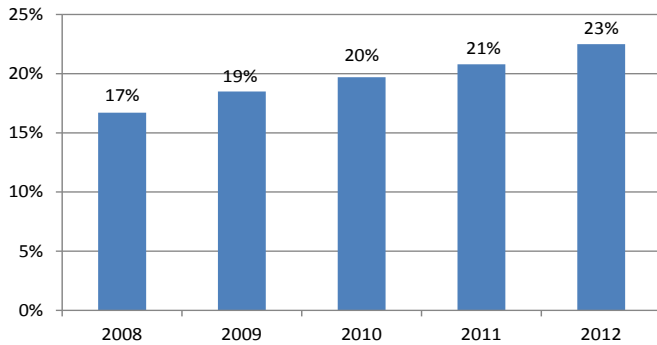
As of November 1, 2013, the critical help provided by SNAP benefits was reduced due to the accelerated expiration of the temporary benefits increase provided by the American Recovery and Reinvestment Act.¹² A family of four lost about \$36 per month, which equates roughly to 21 meals per month.¹³ This reduction directly harms the nearly 22,000 Montgomery County children served by the program each month,¹⁴ whose families can purchase less – and potentially less nutritious – food, as well as the County's economy. In the coming year, Montgomery County will lose an estimated \$5.2 million in food stamp benefits – almost \$9 million in economic impact – as a result of the SNAP cuts.¹⁵ Despite the reduction in SNAP benefits that has already occurred, Congress is currently negotiating additional cuts to the program that will further imperil the health and well-being of Montgomery County's children.

Eligibility For School Meals Increased But Breakfast Participation Lags

For families living on tight budgets, the National School Lunch Program (NSLP) and School Breakfast Program (SBP) make it possible for eligible students to receive a free or reduced-price nutritious breakfast and lunch each school day. USDA research indicates that children who participate in school lunch have superior nutritional intakes compared to those who do not, and that school breakfast supports health and learning for low-income children.¹⁶ As one might expect from the rising share of

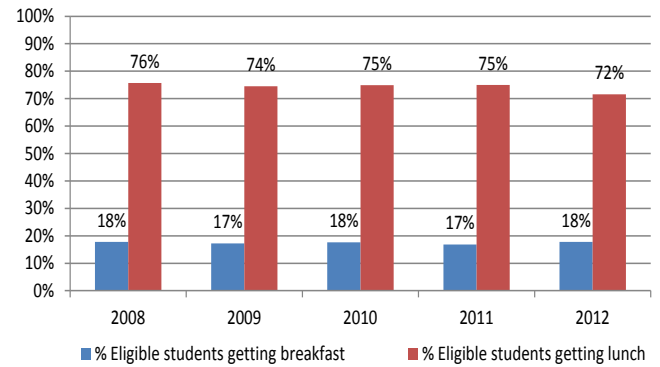
Montgomery County children living in low-income families, there has been a 46 percent increase¹⁷ in the share of students eligible for free- and reduced-price (FRP) school meals between 2008 and 2012.¹⁸ This increase represents over 7,400 additional students qualifying for school meals at a free or minimal cost. In addition, the large increases in the number of children enrolled in SNAP (detailed above) have helped schools identify more students who are eligible for school meals without need for burdensome paperwork.¹⁹

The Share of Montgomery County Students Eligible For Free and Reduced-Price Meals Increased 35% Between 2008 and 2012



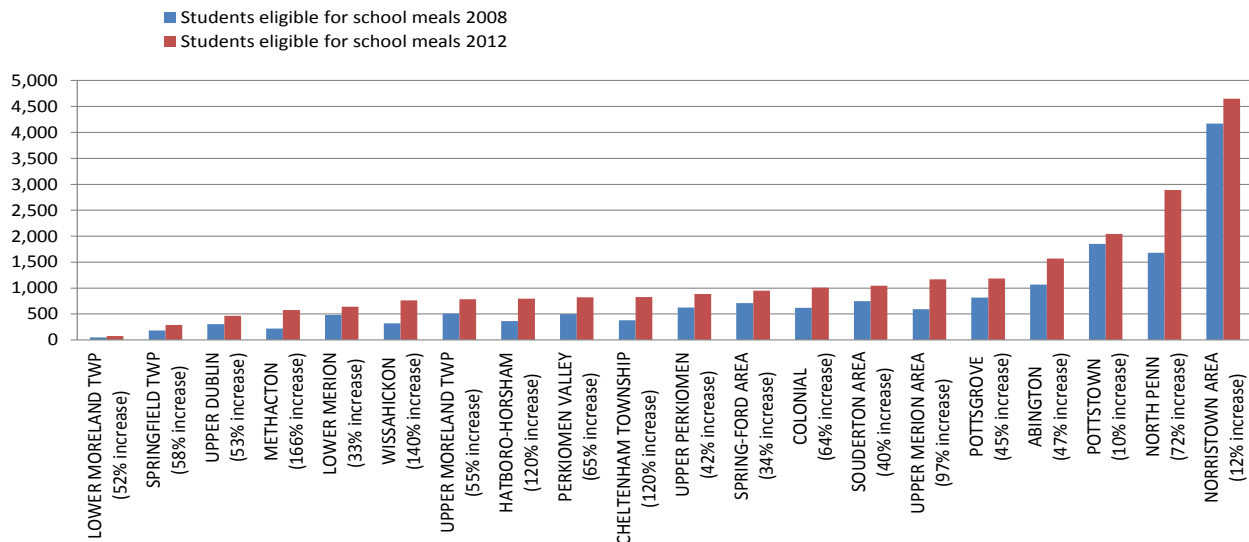
Increased eligibility, however, does not equate to increased access. Despite the large increase in the share of Montgomery County students eligible for free or reduced-price school meals, county-wide participation in breakfast and lunch decreased between 2008 and 2012.²⁰ And, while over 70 percent of qualified low-income students participated in school lunch, far fewer - just 18 percent - received school breakfast in 2012.

Montgomery County Student Participation In School Lunch Declined; School Breakfast Steady With Less Than 1 in 5 Of Those Eligible Participating 2008 to 2012



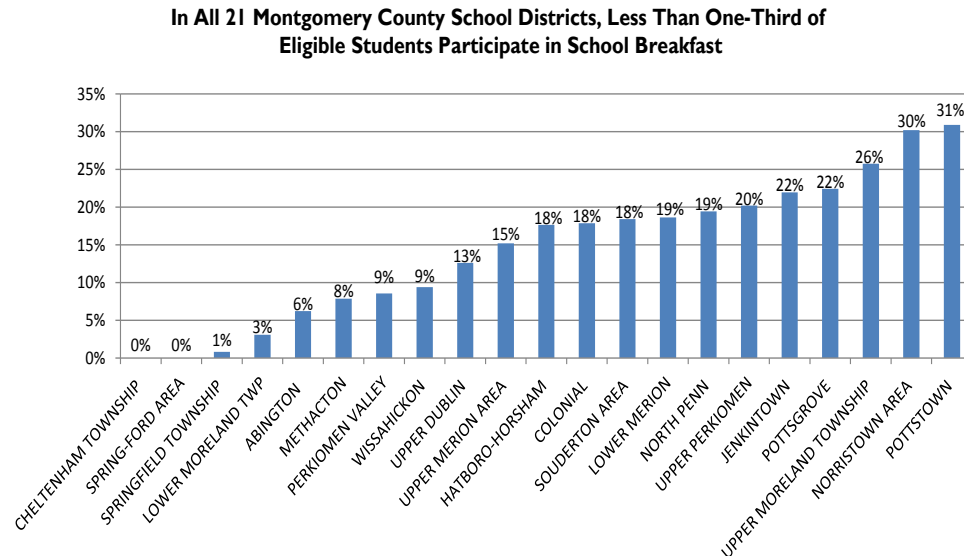
The county-wide growth in student eligibility occurred in 20 Montgomery County school districts,²¹ with even more affluent districts experiencing large increases in the share of their students who qualified for school meals. For instance, Methacton, Wissahickon, Hatboro-Horsham and Cheltenham School Districts more than doubled the number of their students who qualified for school meals, while eight other districts had increases of more than 50 percent.²²

20 Montgomery County School Districts Had Increases In The Share Of Students Eligible For Free and Reduced - Price Meals From 2008 To 2012



Individual districts also vary widely on reaching eligible students with breakfast without a single district serving more than 31 percent of students who qualify – including Norris-town and Pottstown despite the fact that each has greater than 60 percent of students eligible. Schools can adopt different approaches to breakfast, such as changing the time, location, and method of service to help reach more

students.²³ Parents also have a role to play, and unfortunately too many may be concerned about the stigma associated with enrolling their children in free or reduced-price school meal programs and as a result forego this critical public child nutrition program. In all, districts throughout the county have significant room for improvement.²⁴

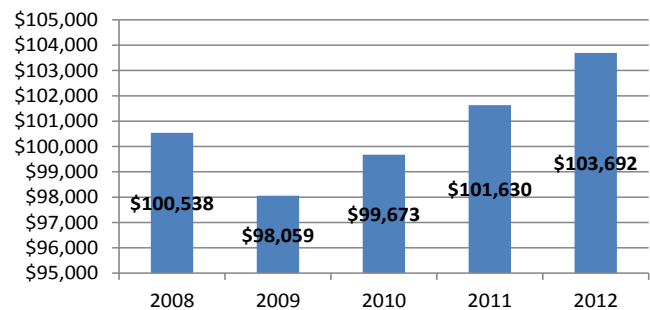


Family Income

The increase in Montgomery County children living in poor and low-income families is obviously linked to family income. The good news is, the County's median income has rebounded since 2008.²⁵

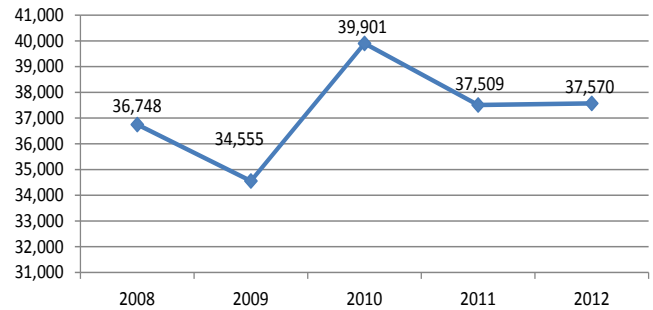
While families in the top half of earners are faring well, the bad news is that those at the lower end of the income scale are still struggling to make economic progress. In 2008, 18 percent of families in Montgomery County were earning less than \$45,000; by 2012 the share remained at 18 percent.²⁶ Meanwhile the cost of living – housing, food, utilities, child care, health care, transportation – continued to rise while family income failed to keep pace.

Montgomery County Median Family Income Has Rebounded Since 2008



Over the past two decades, the price of a house has risen faster than income.²⁷ Given this, it is no surprise that among Montgomery County renters and homeowners earning \$75,000 or less annually, housing costs consume a large share of family budgets. An astronomic 75 percent of renters spend more than 30 percent of their income on housing, and 39 percent of homeowners spend this amount. Each dollar a family needs to simply keep a roof over their heads means they have less money available for other basic necessities for their children.

18% of Montgomery County Families Make Less Than \$45,000/Year Remained Unchanged From 2008 to 2012

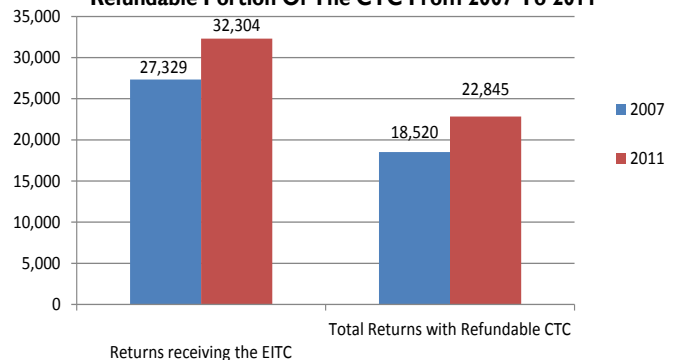


Tax Credits For Low-Income Families

Families earning low wages can only stretch their budgets so far. While Food Stamps (SNAP) and school meals help families fight hunger, the Earned Income Tax Credit (EITC) and the refundable portion of the Child Tax Credit (CTC) provide critical dollars to those who are working but whose earnings do not keep pace with the rising cost of living. In 2009, Congress made improvements to these credits, recognizing both the greater share of families relying on low-wage employment and the rising expense of raising children.²⁸ These credits are incredibly effective as anti-poverty measures, having lifted an estimated 116,000 Pennsylvania children out of poverty annually from 2009-2011.²⁹

Between 2007 and 2012, the share of Montgomery County families receiving the Earned Income Tax Credit (EITC) increased by 18 percent. The number of families receiving the refundable portion of the Child Tax Credit (CTC) also increased, by 23 percent.³⁰

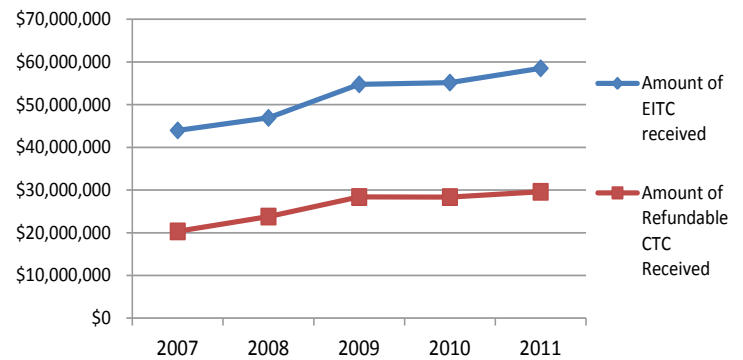
Montgomery County Had An 18% Increase In Receipt Of The EITC and a 23% Increase In Receipt Of The Refundable Portion Of The CTC From 2007 To 2011



In 2011, over 32,000 Montgomery County families received an average of \$1,811 in EITC. Nearly 23,000 families received the refundable portion of the CTC, with an average refund of \$1,295.

The amount of EITC received by Montgomery County families increased over 33 percent from 2007 to 2011, and the amount of CTC by 46 percent.³¹ These credits are also critical to the Montgomery County economy, as low- and moderate-income families are more likely than high-income families to spend their refunds on immediate needs. The Congressional Budget Office confirmed that the provisions affecting low- and middle-income families were much more effective in supporting the struggling economy than those for high-income families.

Montgomery County Families Received 33% More EITC Dollars, 46% More Refundable CTC Dollars in 2011 Than in 2007



The EITC infused over \$58 million into Montgomery County in 2011, and the refundable portion of the CTC nearly \$30 million.

Conclusion and Recommendations

Forces well beyond the control of Montgomery County brought about the recession and have caused serious repercussions for its families and economy. While recovery from the economic downturn is underway, a rising number of Montgomery County children are growing up with obstacles to achieving a healthy future. The slow pace of recovery is an enemy to children, as delays in meeting their basic needs can have long-term impact on their growth, development and learning.

The widespread fallout from the recession shows that federal safety net programs are likely to play an important factor in family economic security. As tens of thousands of Montgomery County families continue to strive for better futures for their children, it is critical that the County work in partnership with social service agencies, community groups, schools and parents to advance these essential strategies to support positive outcomes for children:

- Dramatically increase participation in school breakfast by engaging the entire school community and adopting strategies that highlight nutrition and academic benefits and reduce stigma.
- Pursue outside support and resources for increasing breakfast participation by enrolling in the Pennsylvania School Breakfast Challenge (deadline for entry is Dec. 20, see: www.paschoolbreakfast.org)
- Connect all eligible families to SNAP (Food Stamps) by both increasing awareness of the program and removing barriers to enrollment.
- Increase efforts to connect all eligible families to income and work supports such as the Earned Income Tax Credit and Child Tax Credit.
- Build county-wide understanding and support for these programs so that they are strengthened and not cut further at the federal level.

Montgomery County leadership can't single-handedly solve poverty, but they can help their families tap the lifesaving supports offered by the federal safety net programs. Investing in strategies to help families improve their economic well-being and achieve stability will pay future dividends not only for children but for communities throughout Montgomery County.

Endnotes

1. Hunger in America; the Suffering We All Pay for, Center for American Progress, 2011
2. While 200% of poverty is widely accepted as the level of income families need to make ends meet, we are using 185% of the poverty line as the threshold to align with the eligibility line for school meals.
3. Source: 2013 HHS Poverty Guidelines for the 48 Contiguous States and the District of Columbia, published in the Federal Register, January 24, 2013. <http://aspe.hhs.gov/poverty/13poverty.cfm> Income reflects annual income.
4. Source: U.S. Census Bureau, American Community Survey, 2012
5. PCCY's Bottom Line is Children - Montgomery County Public Education report: <https://www.pccy.org/userfiles/file/BottomLineCountyReports/Montgomery/PCCYBLEducationMontCo2013.pdf>
6. 2013 child food insecurity rates from Feeding America's "Map the Meal Gap," using data from the 2001-2011 Current Population Survey, 2011 American Community Survey, and 2011 data from the Bureau of Labor Statistics on unemployment rates.
7. Center for American Progress, "Hunger in America: Suffering We All Pay For," Donald S. Shepard, Elizabeth Setren, and Donna Cooper, October, 2011, <http://www.americanprogress.org/issues/poverty/report/2011/10/05/10504/hunger-in-america/>
8. We should note the eligibility change, which started in 2009. But it clearly took a little time for word to get out and families to sign up, as the increase was fueled in part by the recession and in part by the increase in gross income limit.
9. Pennsylvania now has a gross income limit of 160 percent of poverty, which is below the maximum of 200 percent set by some states and above a minimum of 130 percent utilized by a minority of states. Applicants still must provide extensive documentation of their income, assets and expenses to show their net income is below the poverty line before benefits are approved.
10. Economic activity estimate based on a study by industry research firm Moody's Economy.com, see: <http://frac.org/initiatives/american-recovery-and-reinvestment-act/snapfood-stamps-provide-real-stimulus/>
11. Source: Based on Pennsylvania Department of Public Welfare, Bureau of Program Support, Division of Statistical Analysis, Assistance Eligibility Statistics, unduplicated number of children and adults served, SFY 2012-13.
12. The temporary increase to SNAP that was passed in the Recovery Act as a means of both responding to family need and boosting the economy expired on Nov. 1, 2013.
13. The maximum grant for a family of four was \$668 per month, or \$1.85 per meal per person. That family's grant has been reduced to \$632. <http://www.cbpp.org/cms/?fa=view&id=3899>
14. Pennsylvania Department of Public Welfare, Bureau of Program Support, Division of Statistical Analysis, Assistance Eligibility Statistics, September, 2013.
15. Loss in SNAP per county estimates provided by Center on Budget and Policy Priorities (CBPP) using data from the 2011 USDA Administrative Data, PA county participation data, and USDA's June 2013 Thrifty Food Plan. Economic impact based on loss of SNAP benefits multiplied by \$1.73 estimated economic activity previously cited.
16. <http://frac.org/federal-foodnutrition-programs/school-breakfast-program/>
17. The eligibility line for free meals is set at 130% of poverty, for reduced-price meals it is 185% of poverty.
18. Source: Pennsylvania Department of Education, Division of Food and Nutrition, Building Data Reports, October 2008-2012. http://www.portal.state.pa.us/portal/server.pt/community/national_school_lunch
19. Through a process called direct certification students who receive SNAP, as well as other benefits (including Medical Assistance in PA), are certified as eligible for free school meals without need for separate application. This is because their families have reported their income and met strict verification requirements for those programs.
20. Source: Pennsylvania Department of Education, Division of Food and Nutrition, Building Data Reports, October 2008-2012. http://www.portal.state.pa.us/portal/server.pt/community/national_school_lunch
21. 2008 data was unavailable for Jenkintown School District
22. Source: Pennsylvania Department of Education, Division of Food and Nutrition, Building Data Reports, October 2008-2012. http://www.portal.state.pa.us/portal/server.pt/community/national_school_lunch
23. See more on choosing the right breakfast service model for your school at: http://s.bsd.net/phillyhunger/default/page/-/Handout_ChoosingAModel.pdf
24. Source: Pennsylvania Department of Education, Division of Food and Nutrition, Building Data Reports, October 2012. http://www.portal.state.pa.us/portal/server.pt/community/national_school_lunch
25. Source: U.S. Census Bureau, American Community Survey, 2008-2012, Table S1903: Median Income in the Past 12 Months
26. Source: U.S. Census Bureau, American Community Survey, 2008-2012, Table B19101: Family Income in the Past 12 Months
27. The three largest components of middle-class expenses that have increased faster than income are: the cost of college, the cost of health care and the cost of a house. See: <http://ideas.time.com/2013/10/17/10-reasons-texas-is-our-future/#ixzz2iT8IKfb>
28. The improvements included making the CTC "refundable" at lower income levels so that more working families with incomes below the poverty line are eligible; substantially reducing the "marriage penalty" that some couples faced under the EITC, and slightly expanding the EITC for families with three children to reflect the greater expenses (the credit had been capped at one level for all families with two or more children).
29. Brookings Institution analysis of Supplemental Poverty Measure Public Use Data www.taxcreditsforworkingfamilies.org/?page_id=7231
30. Data source: 2011 IRS, Brookings Institution, Metropolitan Policy Program: <http://www.brookings.edu/research/interactives/eitc>
31. Data source: 2011 IRS, Brookings Institution, Metropolitan Policy Program: <http://www.brookings.edu/research/interactives/eitc>



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