



***Underwater:*** Our Families  
Cannot Stay Afloat

# More than a quarter of families in Bucks and Montgomery Counties are likely to be underwater



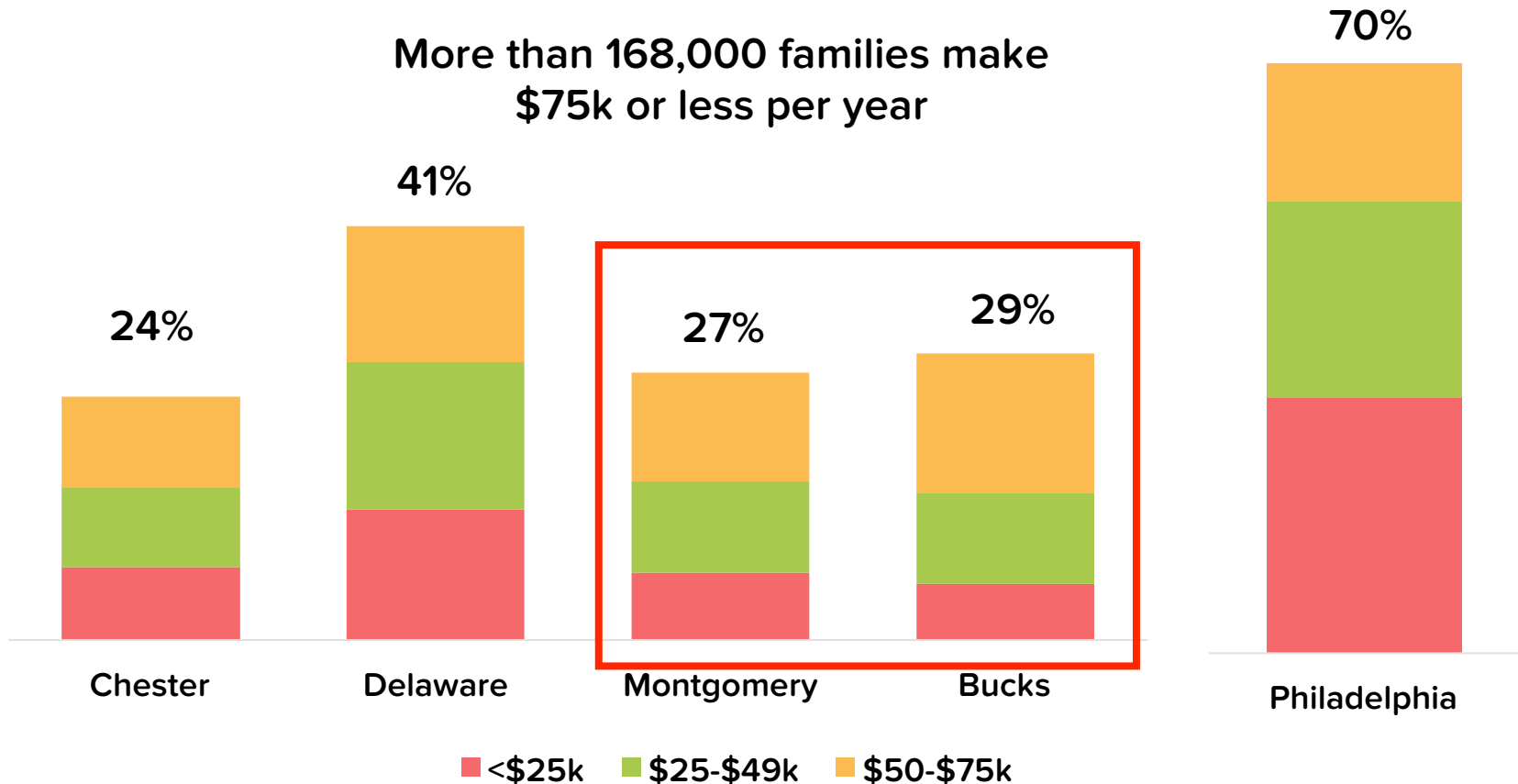
29% of families raising children in Bucks County and 27% in Montgomery County are likely to be underwater



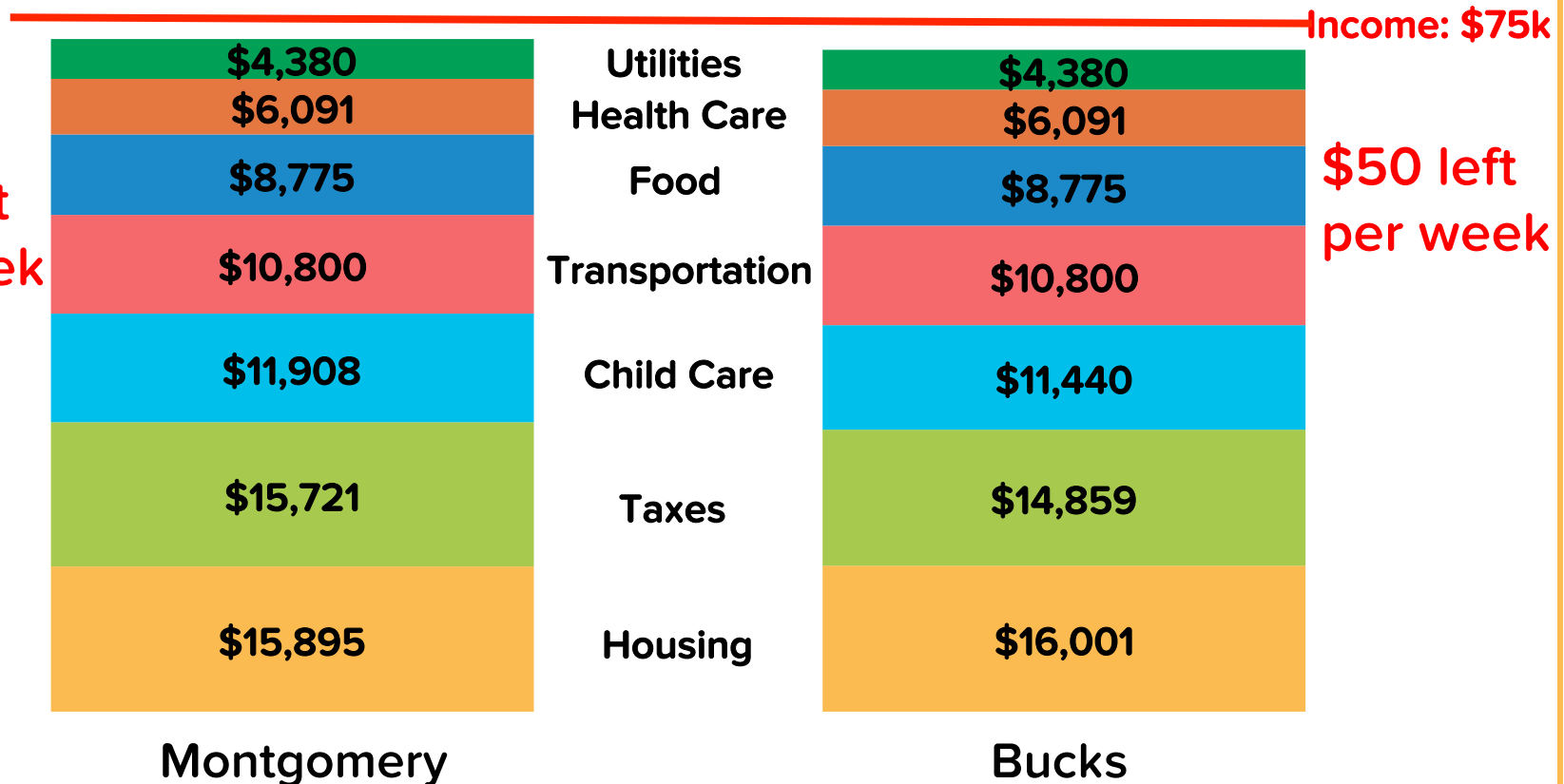
Their children face long odds of upward mobility due to an education system that is barely treading water

# More than a quarter of a families earn less than \$75,000 a year

More than 168,000 families make \$75k or less per year

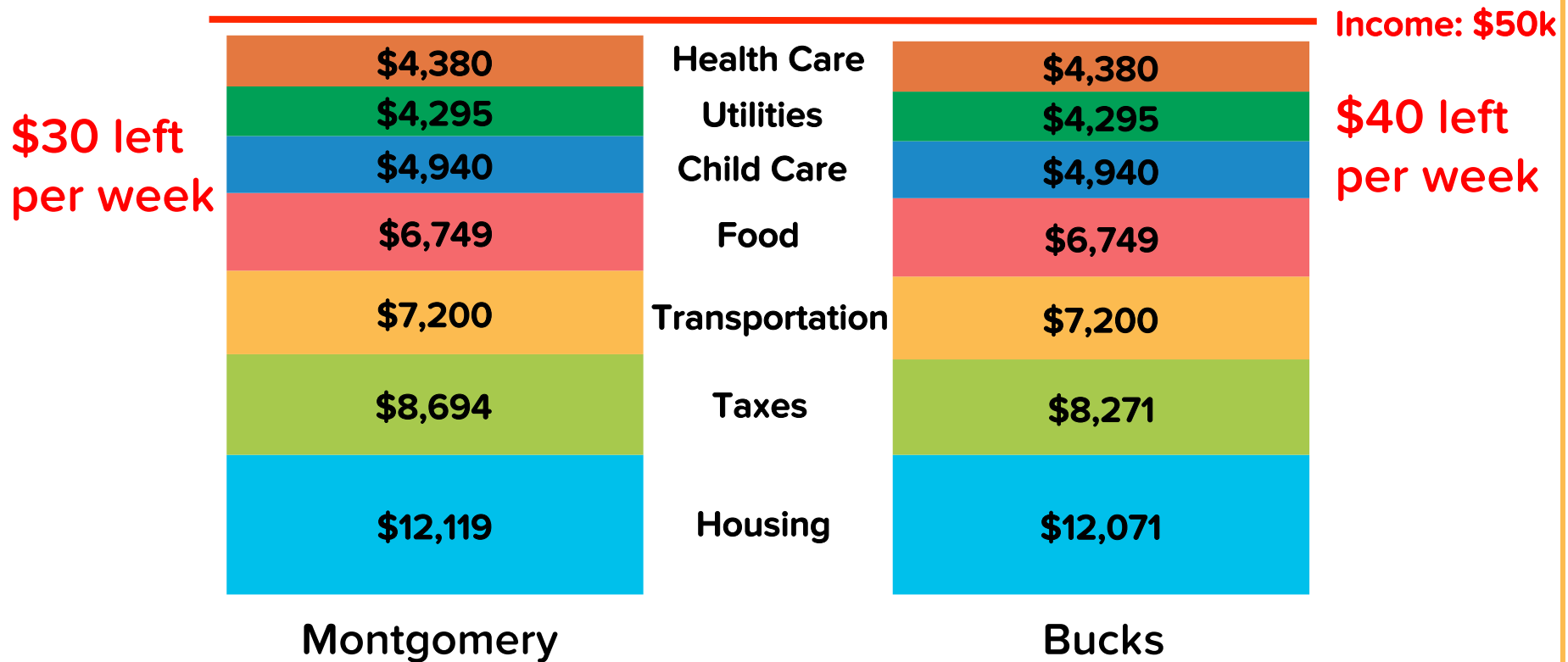


# A \$75k income should solidify families' middle class status



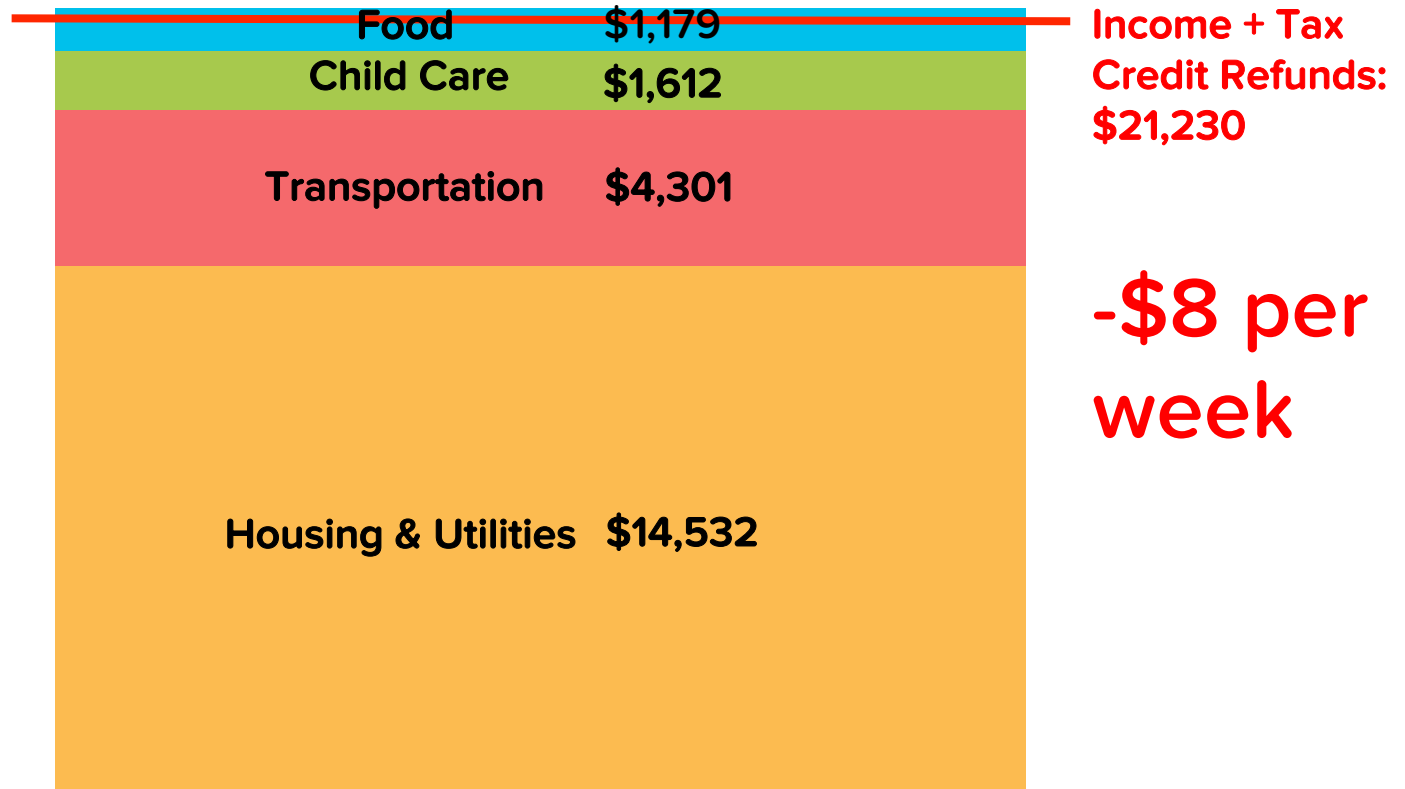
...but these families have less than \$50 a week after paying for the essentials

# Families making \$50k should be on the cusp of the middle class



...but they have just \$40 or less per week left after covering the basics

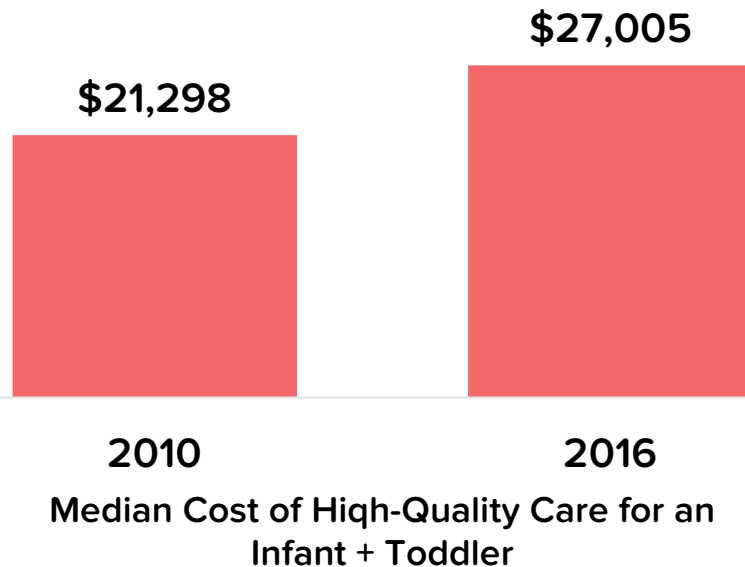
# Families in poverty are in debt from the basics alone



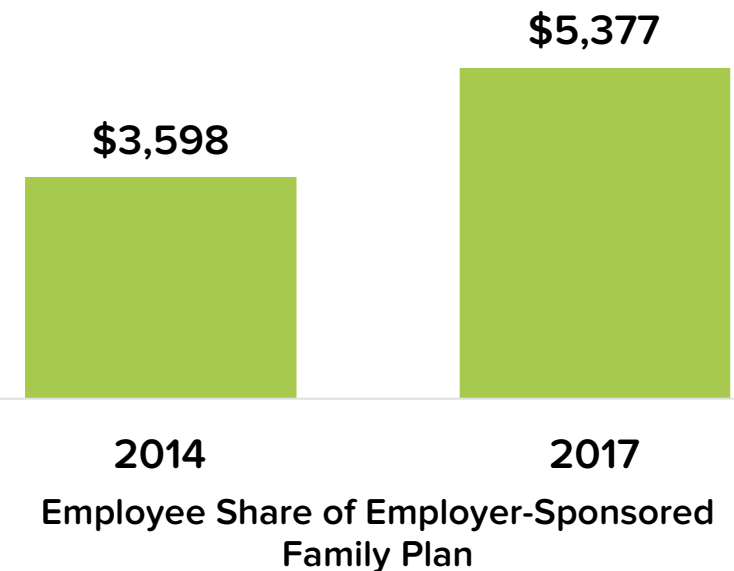
...\$400 in the **red** each year

# Cost of basic necessities in Bucks & Montco rose at least 27%

Child Care for an Infant and a Toddler Has Grown by \$5,700 in Just Six Years



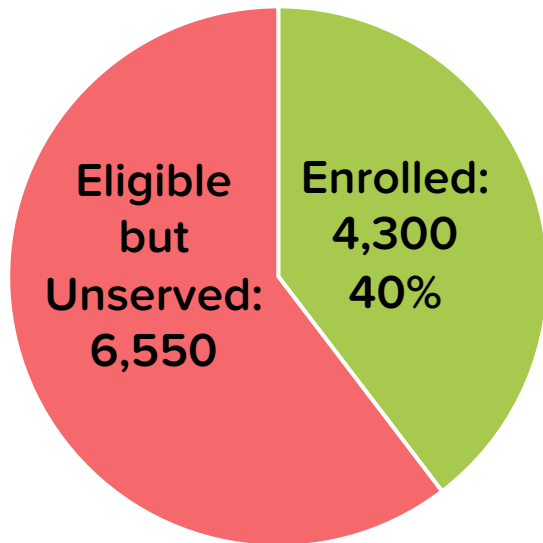
Families' Health Care Premiums Have Grown by 50% Since 2014



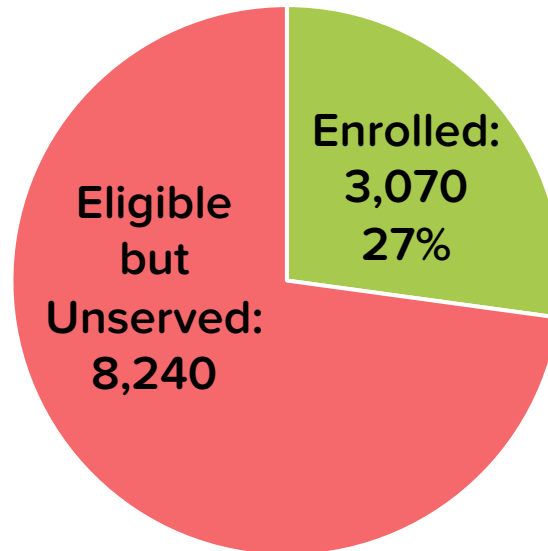
...but incomes remained flat

# Child Care is the Largest Expense

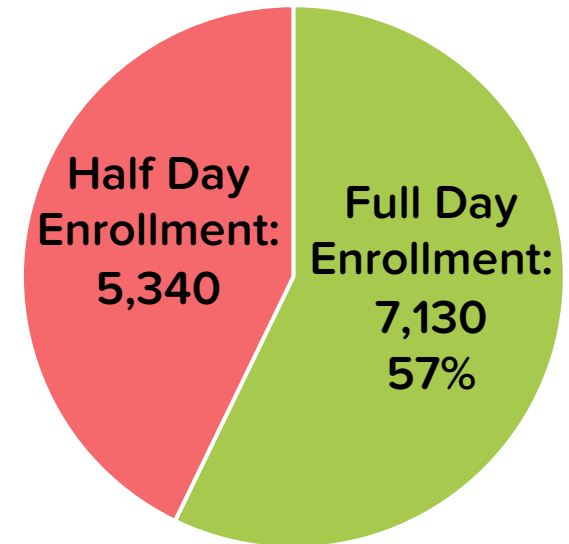
Subsidized Child Care



Public Pre-K



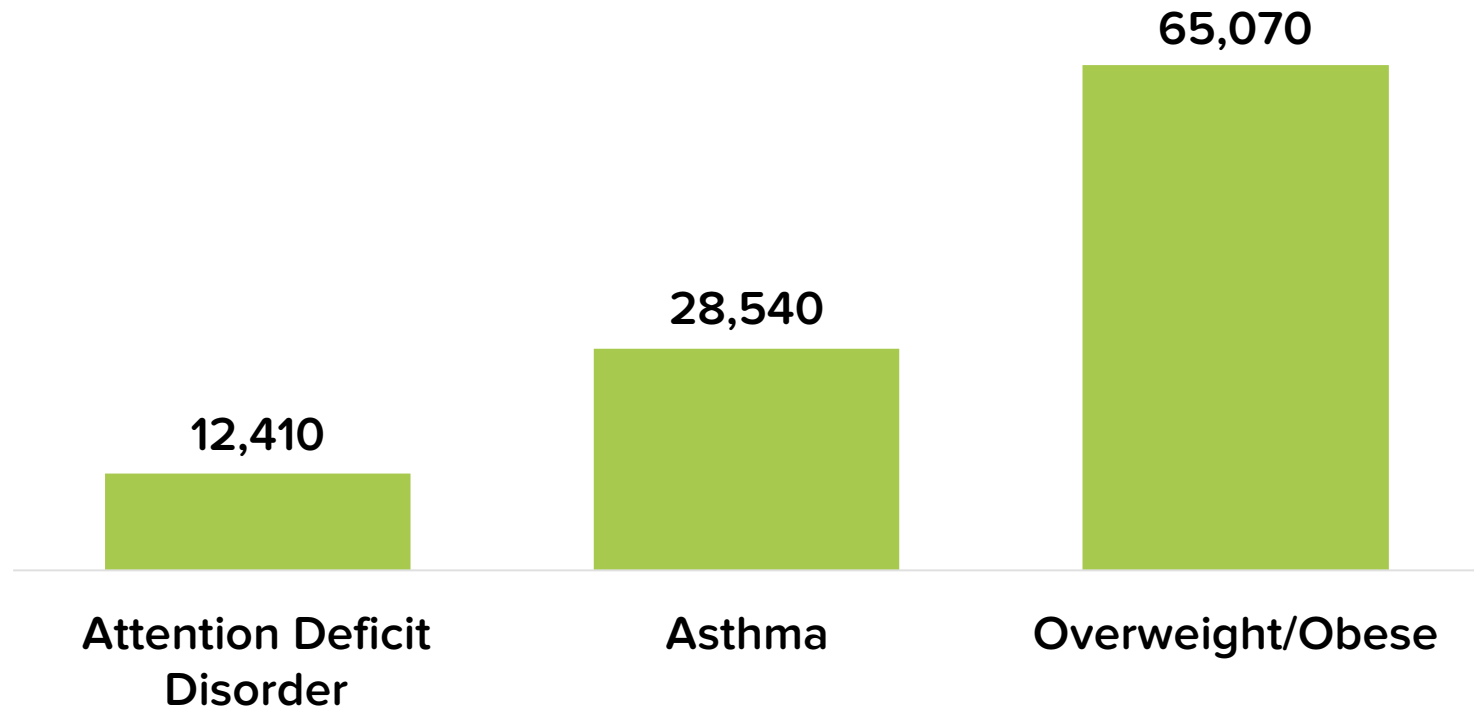
Full Day Kindergarten



...but public funding is too low to reach most families in need

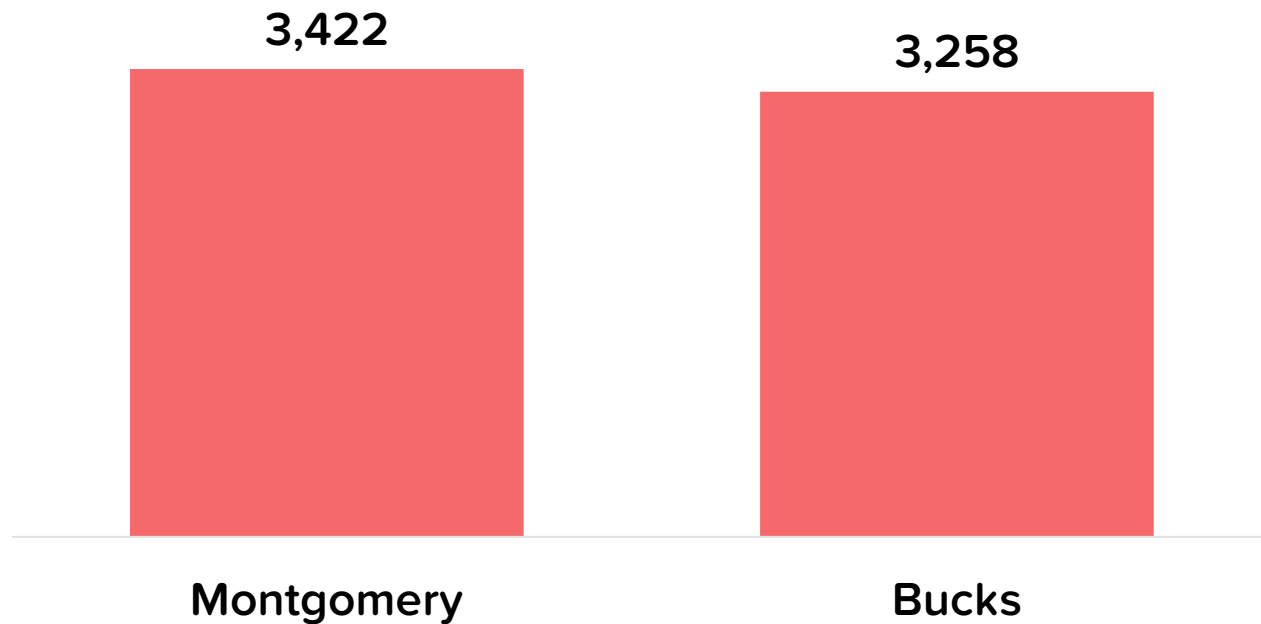


# Thousands of Bucks & Montco children have health problems



...making out-of-pocket health care costs high for families

And ALL costs are out-of-pocket  
for the families of the  
**6,680 uninsured children**  
in Bucks & Montgomery Counties



# On top of all this, families face other everyday costs

**HAIRCUTS**

**Car Repairs**

**Birthday Presents**

School Pictures

School Supplies

Sports Teams

**Clothes**

Movies

Shoes

Toys

Home  
Repairs

Summer Camps

Braces

**Class Trips**

**Games**

# Parents also lack room for children's enrichment in their budget

*For example:*



Tutoring



Music Lessons



Summer Camps

**...so they must rely heavily on schools to get a leg up**

# Good schools are parents' best option for their children's upward mobility

“Schooling has a strong causal effect on earnings”

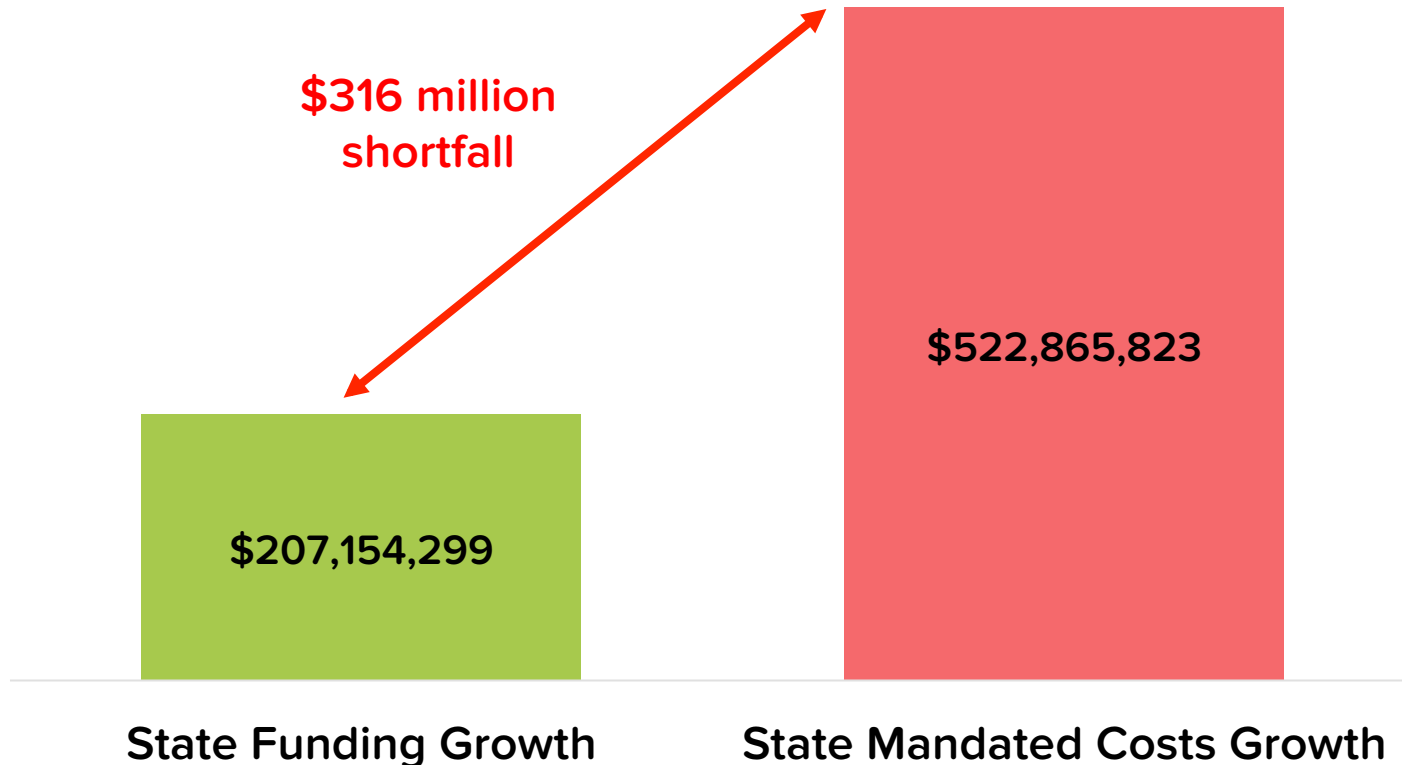
-James Heckman et al., *Journal of Political Economy*, 2018

“Better school quality...increase[s] adult incomes”

-Li, Goetz, and Weber, *Economic Development Quarterly*, 2018

# State mandated costs for pensions, charters and special education grew 2.5x the rate of State funding

Growth for Bucks & Montgomery County School Districts, 2010-2016



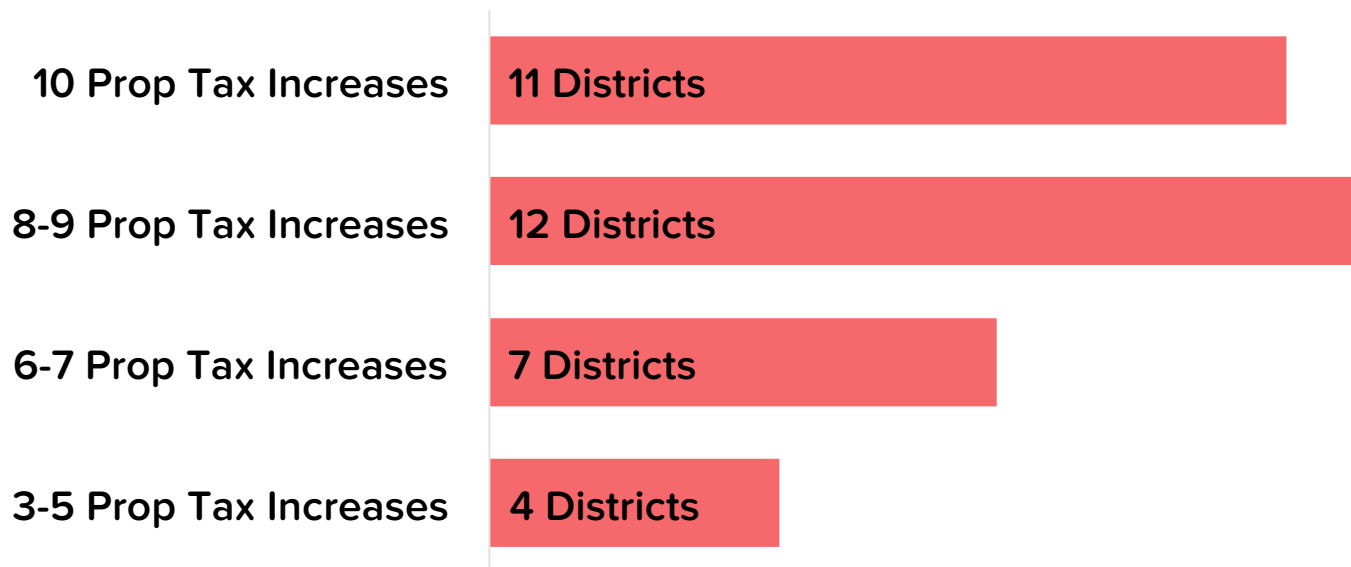
# The State is shortchanging districts by **\$222 Million**

County	Additional Money if State Funding Were Adequate
Bucks	\$80 Million
Montgomery	\$142 Million

...nearly half – \$106 million – due to districts with a 25% or more Black or Hispanic students

# Inadequate State Funding Forces Districts to Raise Property Taxes to Stay Afloat

Over the past 10 years, almost every district has had to raise property taxes in most, if not every, year



School property taxes typically make up a third to half of working and middle class families' tax bill



# Meanwhile all but one district in Bucks & Montco have growing numbers of low income students since 2013



Increase in Low Income Students



Decrease in Low Income Students

...who are costlier to educate

# Most districts have less funding for teaching, despite local tax increases

Decrease in Overall Instructional Spending per Student,  
2010 to 2017 (inflation adjusted)



... 65% of districts, educating 27,900 Black and Hispanic children, actually have less to spend on instruction

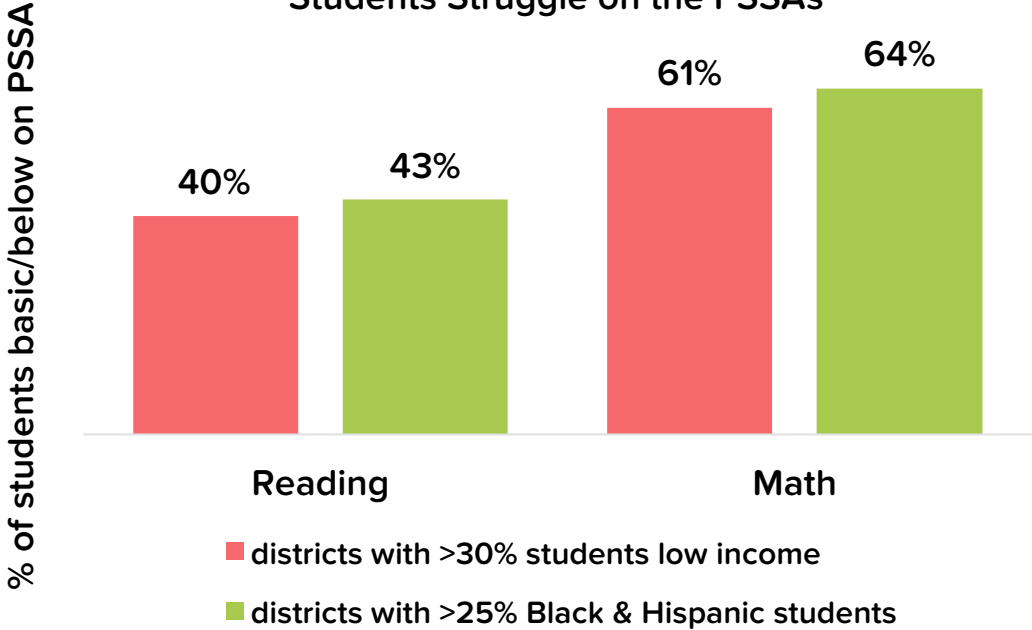
# Every district with 25% or more Black or Hispanic students has less to spend on instruction compared to 2010

Decrease in Instructional Spending per Student, 2010 to 2017  
(inflation adjusted)

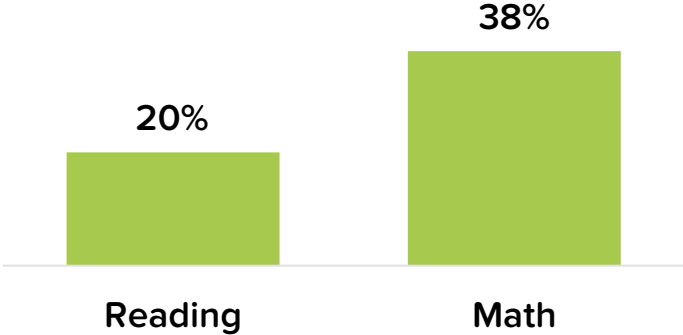


# As a Result, Students Struggle Academically

Majority of Students in Districts With Higher Shares of Low Income & Black and Hispanic Students Struggle on the PSSAs



Even in Higher Income Districts, an Alarming Share of Students are Failing



# Bold Action Must be Taken or the Cycle of Financial Stress Will Continue in Bucks & Montco

*To reduce cost burdens on families:*

- Increase funding for Child Care Works, Pre-K Counts and Head Start and implement full day kindergarten
- Expand eligibility for Child Care Works and the Children's Health Insurance Program
- Create affordable housing and transportation strategies at the County level
- Expand the State's Tax Forgiveness program and increase funding for public schools to offset property and other local taxes

# Bold Action Must be Taken (cont.)

## *To boost families' incomes:*

- Create a workforce development strategy to help people move into higher paying jobs
- Increase the State government's payments to agencies that employ low-wage, government-funded professionals such as direct support professionals and child care workers, so that these professionals' wages can be increased

# Bold Action Must Be Taken (cont.)

*To improve the financial outlook of public schools:*

- Increase State K-12 basic education and special education funding – adequate State funding would bring **\$222 million** in additional funds to Bucks & Montgomery County schools
- Restore the State’s charter school reimbursement for school districts – this would bring at least **\$11 million** in additional funds to Bucks & Montgomery County schools