

RESULTS-BASED PUBLIC  
POLICY STRATEGIES FOR

# Reducing Child Poverty

March 2014

**POLICY** for **RESULTS.org**

Center  
for the  
Study  
of  
Social  
Policy

## ABOUT CSSP

The Center for the Study of Social Policy (CSSP) believes that policymaking should be based on achieving concrete results; and that using reliable data for learning and accountability leads to improved outcomes for all children and families.

CSSP helps provide state policymakers with research-informed, results-based policy strategies to support child and family well-being in their states through [PolicyForResults.org](https://PolicyForResults.org). This web-based tool provides guidance on maximizing federal resources and highlights state examples of effective policies and financing approaches; which is critical during tough economic times. This paper is intended to be a companion piece to the Supporting Early Healthy Development section on PolicyForResults.org.

Stringent criteria were used to select the indicators and recommended strategies in this paper. For example, the indicators are limited to those for which 50-state data are available and those that research or practice indicates can be improved. All indicators and strategies were chosen in consultation with issue experts and based on specific research regarding their effectiveness. Levels of evidence were identified and used to guide the selection of strategies and recommendations.

## OUR METHODOLOGY

We recognize that evidence exists in different forms. PolicyForResults.org relies on three levels of evidence:

- **Rigorous statistical evidence** refers to the most scientifically defensible evidence, which comes through statistical evaluations with control groups, randomly assigned participation and/or tests of statistical significance. Research of this sort is usually not available, particularly in the fields related to children and family policy. In addition, it is important to exercise caution when interpreting and generalizing findings from this sort of research to entire populations. True random assignment is ethically prohibited in many cases and this limitation must be recognized when interpreting the findings of quasi-experimental studies.
- **Program evaluation and emerging evidence** refers to evidence that is derived from state studies, policy analysis, the evaluations of specific programs and research or extrapolations from related fields.
- **Practice-based evidence** refers to evidence that enjoys broad consensus from practitioners. Practice-based evidence of success and experience can provide compelling evidence, as can research, provide strong, but not conclusive, statistical evidence.

## ACKNOWLEDGMENTS

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## EXECUTIVE SUMMARY

Child poverty in the United States is unacceptably high, with 16.1 million children under the age of 18 living in poverty, equivalent to 21.8 percent of the child population nationwide.<sup>1</sup> Children are the poorest age group in the United States, representing 23.7 percent of the total population, but 34.6 percent of the people living in poverty overall.<sup>2</sup> Younger children face the highest rates of poverty. Among children under age five, 25.9 percent are poor, compared to 20.5 percent of those ages five to seventeen.<sup>3</sup> Additionally, **there are significant racial disparities among poor children.** Children of color are disproportionately poor. Nearly 1 in 3 children of color lived in poverty in 2012: Black children were the poorest at 39.6 percent, followed by American Indian/Native Alaskan children at 36.8 percent and Hispanic children at 33.7 percent.<sup>4</sup> Asian American and Native Hawaiian/Pacific Islander children also face high rates of poverty; in 2012, approximately 33.7 percent lived in poverty in 2012.<sup>5</sup>

*Children live in poverty based on the economic circumstances of their parents or guardians, which makes it critical to address the needs of whole families. In the United States, the poverty threshold for a family of four is measured at \$23,850 annually, though families need twice that amount in order to meet their basic needs, such as food, clothing and shelter.*

Poverty affects every aspect of a child and family's life and has long-lasting implications for a child achieving positive adolescent and adult outcomes. Children growing up in poverty face barriers in their ability to learn and often struggle with social, behavioral and emotional problems as early as age five. Poverty is also associated with poor developmental health outcomes that can continue into adulthood.

Families living in poverty lack the necessities, such as food, safe places to live and healthcare, which can inhibit their children's futures. This highlights the importance of providing a strong safety net for families during difficult times. Policymakers play an instrumental role in maintaining the supports and services that keep poor and low-income families and their children from falling farther behind. Since child poverty is estimated at an annual loss of \$500 billion a year, resources that could improve the outcomes of poor children and their families would have significant future economic benefits<sup>6</sup> - leading to a smart investment in both our country's families and our future economy.

<sup>1</sup> US Census Bureau. (2013). *Income, Poverty, and Health Insurance*. [Available online](#).

<sup>2</sup> US Census Bureau. (2013). *Income, Poverty, and Health Insurance*. [Available online](#).

<sup>3</sup> Children's Defense Fund. (2012). "The State of America's Children." [Available online](#).

<sup>4</sup> Children's Defense Fund. (2014). "The State of America's Children." [Available online](#).

<sup>5</sup> National Coalition for Asian Pacific American Community Development. (2013). *Spotlight: Asian American and Pacific Islander Poverty*. [Available online](#).

<sup>6</sup> Holzer, H., Whitmore Schanzenbach, D., Duncan, G., and Ludwig, J. 2007. *The Economic Costs of Poverty in the United States: Subsequent Effects of Children Growing Up Poor*. Washington, DC: Center for American Progress.

## DATA & TRENDS

### *What are the Forces and Influence at Work?*

- **Costs of living further burden low-income families:** Paying for basics, such as housing, transportation, health care and child care can pose major barriers for parents seeking to gain and maintain employment and is a significant factor contributing to the number of children in poverty. Compared to children in above low-income families, children living in low-income families are twice as likely to have moved residences in the past year and three times as likely to live with a family that rents a home.<sup>7</sup> Income taxes, sales taxes, property taxes and other taxes can significantly reduce the resources available to poor and low-income families.
- **Lack of equitable access to educational opportunities:** Beginning with infant and toddler care and learning programs, and continuing up to college access and continuing education, the opportunity gap between children who can access quality education and those who cannot has a huge impact on outcomes for children's' futures. Research shows that quality child care and preschool experiences can have a significant positive impact on children's educational attainment in later school years. Families who can afford high-quality early learning opportunities for their children can access these benefits, while families with lower incomes need to rely on the options they can afford, which are often of significantly lower quality. This opportunity gap makes it more difficult for parents to help their children get ready for kindergarten and sets children up for lower likelihood of academic and career success.
- **Families with young children cannot access needed supports:** Families with young children need access to supports such as paid family and medical leave, quality child care, access to reliable transportation and other resources, such as a stronger federal safety net and tax credits that help build economically stable families by providing supplemental income that can be used to offset the price of food, housing or other high living costs.
- **Low-income families often live in unsafe neighborhoods with high crime rates, poor physical infrastructure and services and environmental hazards:** Poverty makes it much more difficult for families to find quality housing within their means. In many areas, the most affordable housing is in poor condition and located in areas of concentrated poverty with poor public services, higher crime rates and environmental hazards. These conditions have serious consequences for the children and families who live in these communities. Moving from a high poverty area to a low poverty area is associated with a 50 percent increase in the overall availability of outdoor places to play. There are also significant related race equity issues; communities with higher percentages of African American residents have fewer available parks and green spaces, places to play sports, public pools and beaches. Additionally, there are serious health issues associated with the lack of safe places to be outside.<sup>8</sup>

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<sup>7</sup> National Center for Children in Poverty. (2012). *Basic Facts about Low-Income Children, 2010*. [Available online.](#)

<sup>8</sup> Powell LM, Slater S, Chaloupka FJ. The relationship between physical activity setting and race, ethnicity, and socioeconomic status. *Evidence-Based Preventative Medicine* 2004; 1[2]: (135-44).

- **Families are victimized by wealth-stripping practices:** Each year, families lose millions of dollars to financial service providers using unscrupulous practices in the areas of predatory mortgage lending, payday lending, auto title lending, refund anticipation lending and high-fee check-cashing and tax preparation services.
- **Children of color do not have equal access to opportunities and supports:** Children of color are much more likely to grow up in persistent poverty and to live in neighborhoods of concentrated poverty.<sup>9</sup> Parents of color still experience discrimination<sup>10</sup> in many aspects of daily life, including housing and employment<sup>11</sup> that create additional challenges in promoting their children's well-being. These gaps in the opportunities and resources available to minority children systematically disadvantage children of color and can negatively impact their future outcomes.
- **Children from immigrant families are often marginalized:** Linguistic and cultural differences are often significant barriers for parents in accessing the information, services and opportunities available to other families that can help in reducing poverty. Children in immigrant families are more likely to be living in poverty,<sup>12</sup> less likely to benefit from work supports and have limited access to public assistance and health services, while undocumented immigrant populations and mixed-status families additionally face the constant threat of deportation, which is detrimental positive child outcomes. Children with immigrant parents are also less likely to be enrolled in a prekindergarten program.<sup>13</sup>

## NEED MORE?

For more information on the importance of reducing child poverty, read [The State of America's Children 2014](#), a report from the Children's Defense Fund.

<sup>9</sup> Ratcliffe, C., & McKernan, S.-M. (2010). *Childhood poverty persistence: Facts and Consequences*. Washington, DC: Urban Institute Press. [Available online.](#)

<sup>10</sup> US Department of Housing and Urban Development (2013). *Housing discrimination against racial and ethnic minorities 2012*. Washington, DC: Department of Housing and Urban Development Office of Policy Development and Research. [Available online.](#)

<sup>11</sup> Pager, D., Western, B. & Bonikowski, B. (2009). *Discrimination in a low-wage labor market: A field experiment*. *American Sociological Review* 74, 777-99.

<sup>12</sup> Wight, V. R., Thampi, K. & Chau, M. (2011). *Poor children by parents' nativity: What do we know?* New York City: National Center for Children in Poverty. April 2011. [Available online.](#)

<sup>13</sup> Hernandez, D.J., & Napierala, J.S. (2013). *Diverse children: Race, ethnicity and immigration in America's new non-majority generation*. New York City: Foundation for Child Development. [Available online.](#)

## Using Data

Using data enables policymakers to examine the data trends within their state and compare these trends with other states and national averages. Considering the data in context, by analyzing the root causes behind the data leads to considering data projections and setting targets for improvement.

### *Projections*

In order to achieve measureable results, it is essential to examine the direction in which a trend is likely to move. Making projections allows policymakers to determine the current and future conditions and to set realistic and appropriate targets. When making these projections consider the following questions:

- What do trends suggest about the current outcomes for children, families and communities?
- What will child poverty rates look like in the near and distant future (for instance, after one year, three years and five years) if you continue on the current course?
- Does the projected trend suggest positive conditions for children, youth and families?
- If positive change is projected, is it significant? Is it enough?
- What is the impact on communities, public systems and state budgets?

### *Targets*

Target-setting is an important step in achieving positive outcomes for children, youth, families and the community. In order to achieve better results, leaders can commit to setting a measurable target and a timeframe for its accomplishment. When establishing targets consider the following questions:

- Based on trend and projection data what is an achievable target?
- How will the target be used?
  - As an inspiration for mobilizing public will and action?
  - As a benchmark for measuring performance and accountability?
- Can targets be set for specific groups or regions within the state?
  - How will local targets be incorporated, if at all, into the state target?
  - What support can the state give to local entities to set and achieve targets?
- How will racial disparities, geographic differences and other variations be considered?
- What will ensure targets are appropriately set and used over time?
  - How can you prevent targets from being misused for punitive purposes or from leading to unintended consequences and poor practices?

*The Data*

**Percentage of Children living in Poverty by State in 2012:** These data present the percentage of children below age 18 who live in families with incomes below the [Federal Poverty Threshold](#). Source: United States Bureau of the Census.

**2012 Rates of Child Poverty by State**

|                      |    |                |    |
|----------------------|----|----------------|----|
| United States        | 23 | Missouri       | 23 |
| Alabama              | 27 | Montana        | 20 |
| Alaska               | 14 | Nebraska       | 18 |
| Arizona              | 27 | Nevada         | 24 |
| Arkansas             | 29 | New Hampshire  | 16 |
| California           | 24 | New Jersey     | 15 |
| Colorado             | 18 | New Mexico     | 29 |
| Connecticut          | 15 | New York       | 23 |
| Delaware             | 17 | North Carolina | 26 |
| District of Columbia | 27 | North Dakota   | 13 |
| Florida              | 25 | Ohio           | 24 |
| Georgia              | 27 | Oklahoma       | 24 |
| Hawaii               | 17 | Oregon         | 23 |
| Idaho                | 21 | Pennsylvania   | 20 |
| Illinois             | 21 | Rhode Island   | 19 |
| Indiana              | 22 | South Carolina | 27 |
| Iowa                 | 16 | South Dakota   | 17 |
| Kansas               | 19 | Tennessee      | 26 |
| Kentucky             | 27 | Texas          | 26 |
| Louisiana            | 28 | Utah           | 15 |
| Maine                | 21 | Vermont        | 15 |
| Maryland             | 14 | Virginia       | 15 |
| Massachusetts        | 15 | Washington     | 19 |
| Michigan             | 25 | West Virginia  | 25 |
| Minnesota            | 15 | Wisconsin      | 18 |
| Mississippi          | 35 | Wyoming        | 17 |

For additional information on trends, as well as for additional comparative state and national data please see our [PolicyforResults.org](http://PolicyforResults.org) [data section](#) on child poverty

## STRATEGIES

### **Strategy #1 – Improve Supports for Families and Their Children by Strengthening the Safety-Net**

The safety net is a vital lifeline for poor families – as well as those who are near poverty. Tax incentives, housing vouchers and food and nutrition supplements are just a few programs that provide families with supports in times of need. State policies that support families through difficult times not only help to mitigate hardship but can also provide access to future opportunities and increase positive outcomes for families and their children.

*Government safety net programs lifted 9 million children from poverty in 2012 including 5.3 million children through the Earned Income Tax Credit and the Child Tax Credit and 2.2 million through SNAP.*

- **Maintain and Expand State Tax Incentives for Children and Families.** Policies such as the state Earned Income Tax Credit (EITC) or the Child Tax Credit have helped families increase their wages by providing both income support and incentivizing work. The EITC assists low-income families that work through a refundable tax credit. EITC reduces poverty by supplementing the wages of low-income families thereby providing extra financial assistance to use toward other important costs that can enhance family well-being. In addition to the financial benefits of the EITC, the credit has also been shown to significantly increase other positive outcomes for children. Research shows that the EITC improves the school performance of children on a variety of measures including test scores, which could lead to alleviating poverty among parents, as well as the their children in the future.<sup>14</sup>

**New York State** has a number of refundable tax credits aimed at reducing poverty<sup>15</sup> and offers both a state level child tax credit, called the Empire State Child Credit, and a tax credit to low income parents paying child support.<sup>16</sup> New York State also offers a state Earned Income Tax Credit, which helps to reduce the tax burden on working families and supplements wages. In 2009, more than 1.6 million households claimed this credit, which resulted in \$4.6 billion dollars in tax relief to working families.<sup>17</sup> New York has a Child and Dependent Tax Credit to help subsidize child care costs<sup>18</sup> and a tax credit for low-income home owners and renters, in the form of a Property Tax Circuit Breaker. In New York State a two-parent working family of four could potentially receive \$11,556 in tax relief.

<sup>14</sup> Center on Budget and Policy Priorities. 2013. “Earned Income Tax Credit Promotes Work, Encourages Children’s Success at School, Research Finds.” [Available online.](#)

<sup>15</sup> Institute on Taxation and Economic Policy (2013). Who Pays? A Distributed Analysis of the Tax System in All 50 States. [Available Online](#)

<sup>16</sup> New York State Office of Temporary and Disability Assistance. Resources for Working Families. [Available Online](#)

<sup>17</sup> Sykes, R. (2012) Making Money Pay in New York: The Earned Income Tax Credit. Empire Center for New York State Policy. [Available Online](#)

<sup>18</sup> Fiscal Policy Institute. (2011). Wrenching Choices for New York City’s Working Families: Child Care Funding Slashed as Need Grows. [Available Online](#)

- *Support State Nutrition Assistance Programs.* Nutrition programs support poor and low-income children by providing families with enough assistance to offset the cost of providing consistent meals. Poverty has serious adverse effects on nutrition, and research has shown that many families living in poverty do not have access to healthy foods. Without proper nutrition, young children are more at risk for illnesses that weaken their immune system and can potentially impair their ability to learn, grow and fight infections.<sup>19</sup> Healthy foods are essential to a child’s future physical and mental health, academic achievement and economic productivity.<sup>20</sup> Unfortunately, in the United States, 15.9 million children under the age of 18 live in households where they are unable to consistently access enough nutritious food.<sup>21</sup>

The state of **Maryland** developed the Maryland Meals for Achievement (MMFA) program to combat childhood hunger. MMFA is an innovative classroom breakfast program that employs an alternative breakfast delivery method. All meals served follow USDA standards for a balanced nutritious meal. Initially the program served six schools and has since grown to serve 360 schools in the 2013-2014 school year.<sup>22</sup> School eligibility is determined by participation in the federal School Breakfast Program and by having a student population where 40 percent are approved for free or reduced meals. In 2013, state funding for this program was increased by \$1.8 million dollars, which means 56,896 additional children were able to be served.<sup>23</sup> An evaluation by the Maryland State Department of Education found that this program has a positive impact on student’s behavior, attentiveness and individual performance.<sup>24</sup> Another evaluation found that participating schools had a 7.2 percent decrease in the rate of absenteeism amongst their students,<sup>25</sup> so in addition to getting their nutritional needs met, the program is increasing the number of students who are gaining valuable instruction time - leading to the promise of higher academic achievement.

*15.9 million children under the age of 18 live in households where they are unable to consistently access enough nutritious food.*

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<sup>19</sup> Feeding America. (2014). “Impact of Hunger.” [Available online.](#)  
<sup>20</sup> Feeding America. (2014). “Impact of Hunger.” [Available online.](#)  
<sup>21</sup> Coleman-Jenson, A., Nord, M., and Singh, A. (2013). “Household Food Security in the US in 2012.”  
<sup>22</sup> Maryland State Department of Education. (2003). Meals for Achievement. [Available Online](#)  
<sup>23</sup> Maryland Hunger Solution (2013). Maryland Meals for Achievement Press Release. [Available Online](#)  
<sup>24</sup> Murphy JM et. al. “Maryland Meals for Achievement Year III Final Report.” Massachusetts General Hospital, Boston, MA, 2001. [Available Online](#)  
<sup>25</sup> Augustine-Thottungal,R, Kem, J, Key, J., & Sherman, B.(2013) “No Kid Hungry Center for Best Practices, Ending Child Hunger: A Social Impact Analysis” No Kid Hungry Center for Best Practices. [Available Online](#)

## Strategy #2 – Promote Family Financial Success through Supportive Work/Family Policies

Supportive work policies are essential to ensuring the economic security of families living in, and near, poverty. In addition to the safety net, supportive workplace policies help to expand opportunities and allow families to grow toward independence by supporting parents in their efforts to both successfully raise a family and maintain stable work. Work is an important aspect of a family's ability to meet their financial needs and develop assets and social support systems - which positively impact their children's future.

- **Raise the Minimum Wage.** Raising the minimum wage for low-wage workers can prevent millions of families from living in poverty. A slight increase in wages can often help provide families with just enough to provide the essentials to meet their basic needs. Minimum wage earners have seen wages stalled at an all-time low, while the cost of living continues to rise.<sup>26</sup> The federal minimum wage has lost more than 30 percent of its value and would be \$10.74 per hour today if it had kept pace with the cost of living over the past 40 years.<sup>27</sup> The federal minimum wage of \$7.25 per hour translates to just \$15,080 per year for a full-time worker and remains decades out of date. The federal minimum wage for tipped workers of \$2.13 an hour has not increased in over twenty years.<sup>28</sup> Increasing the minimum wage at the state level would have a significant impact on poor children and families. Increasing wages would positively impact more than 30 million workers—88 percent of whom are adults over the age of twenty, 56 percent are women and nearly half are workers of color.<sup>29</sup>

*The lack of supportive work/family policies impacts women more often than men.*

*Further, women of color are disproportionately impacted by policies in the work place. Women of color experience lower median weekly earnings, higher rates of poverty, and greater unemployment compared to white women.<sup>1</sup> White women have median weekly earnings of \$703, while black women only earn \$595 and Latina women earn just \$518.<sup>1</sup>*

In September 2013, the state legislature in **California** passed House Bill AB10,<sup>30</sup> which will raise the minimum wage to \$10.00 by 2016. California currently has 3.4 million workers who will receive a raise as their employers adjust their pay scales, which will generate \$ 3.3 billion in new economic growth for the state.<sup>31</sup> More than 90 percent of the workers in California who stand to benefit from this wage increase are

<sup>26</sup> Raise the Minimum Wage. (2013). "Fair Minimum Wage Act of 2013." [Available online.](#)

<sup>27</sup> National Employment Law Project. (2013). "The Fair Minimum wage Act of 2013. [Available online.](#)

<sup>28</sup> Raise the Minimum Wage. (2013). "Fair Minimum Wage Act of 2013." [Available online.](#)

<sup>29</sup> Raise the Minimum Wage. (2013). "Fair Minimum Wage Act of 2013." [Available online.](#)

<sup>30</sup> California Legislative Information (2013) AB-10 Minimum wage: annual adjustment 2013. [Available Online](#)

<sup>31</sup> National Employment Law Project (2013). California Gov. Jerry Brown Signs Nation's First \$10 State Minimum Wage into Law. [Available Online](#)

adults over 20, 87 percent of whom work more than 20 hours per week and 43 percent have some college education.<sup>32</sup>

- *Support Equal Pay for Women.* Women are still experiencing a significant wage gap compared to men. According to the Department of Labor, women earn approximately 81 cents on the dollar, compared to their male counterparts, in weekly wages, and about 77 cents when calculations are based on annual earnings.<sup>33</sup> This gap equates to hundreds of thousands of dollars in lost wages over the course of a lifetime.<sup>34</sup> The pay gap becomes larger among minority women and women with disabilities. This wage gap has a significant impact on families. Almost 40 percent of all households with children under the age of 18 include mothers who are either the sole or primary source of income for the family.<sup>35</sup>

In 2002, **Vermont** adopted House Bill 99,<sup>36</sup> which made it illegal for employers to pay employees of different genders different wages for similar work. In 2012, however, the median ratio of women's to men's earnings in Vermont was 87 percent. In an effort to increase parity, the Vermont State Legislature amended House Bill 99 in 2013. The amended bill targets a number of factors that contributed to the continued wage gap. The new law bans retaliation against employees that discuss their wages, allows for employees to request flexible work schedules and requires employers to have legitimate business reasons for paying workers different wages.<sup>37</sup>

- *Institute Protections for Pregnant Workers.* Pregnant workers are often penalized for requiring certain accommodations on the job, and often times, these women are forced out or fired. When possible, working during pregnancy can allow women to earn additional income and permit women to take a longer period of leave following childbirth. Low-income women in the workforce are often more affected by the demands of job duties during pregnancy than are their more affluent peers, since they are more susceptible to work in jobs with limited flexibility. However, women with slightly higher paying jobs in fields that have traditionally been dominated by men, such as policing and trucking, face multiple obstacles in keeping their employment during and after pregnancy.<sup>38</sup> The physical conflict between work and childbearing can lead some mothers to lose their jobs, which disconnects their families from needed income during a crucial time.

In an effort to better support pregnant women and the families they support, the **New York** State legislature passed the Pregnant Workers Fairness Act in 2013.<sup>39</sup> This law requires employers to provide reasonable accommodations for the needs of workers related to pregnancy, childbirth or a related medical condition. Rest breaks, assistance with manual labor and a period of recovery time from childbirth are a few

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<sup>32</sup> Raise the Minimum Wage. (2013). "Fair Minimum Wage Act of 2013." [Available online.](#)

<sup>33</sup> Fortman, L., Lyles, L., and Shiu, P. (2013, June 10). "What Women Want: Equal Pay." [Available online.](#)

<sup>34</sup> U.S. Department of Labor. (2013). "Equal Pay." [Available online.](#)

<sup>35</sup> Wang, W., Parker, K., and Taylor, P. (2013, May 29). "Breadwinner Moms." Pew Social Trends. [Available online.](#)

<sup>36</sup> Vermont State Legislature (2013). An act relating to equal pay. [Available Online](#)

<sup>37</sup> National Women's Law Center (2013). Vermont's New Equal Pay Laws- a Challenge to Policy Makers. [Available Online.](#)

<sup>38</sup> U.S. Department of Labor. (2013). "A Guide to Women's Equal Pay Rights." [Available online.](#)

<sup>39</sup> New York State Senate (2013) requires the provisions of reasonable accommodations for pregnant women. [Available Online.](#)

examples of the required accommodations. The law also stipulates that if an employer fails to provide reasonable accommodations, the employee can bring legal action against their employers.

- *Institute Paid Family and Medical Leave.* Paid family and medical leave provides income replacement to workers on leave for family caregiving, bonding with a new child, or personal leave taken to recover from a serious health condition. It is essential to provide new parents with the opportunity to request time off without being penalized or forced to incur the economic burden of unpaid leave or the possible threat of losing their jobs. In the United States, 70 percent of mothers with children under the age of 18 are employed—57 percent of whom are mothers with an infant child.<sup>40</sup> Inflexible work schedule and insufficient time off makes it difficult for parents to have an engaged and meaningful presence in their children’s lives, which is especially impactful on newborns. This support is important to ensure financial security by maintaining job stability and is critical for both parents. There has been some progress related to supporting paid family leave; however, 40 percent of private-sector workers and 81 percent of low-wage workers still do not have access to any paid family leave.<sup>41</sup>

In 2013, **Rhode Island** became the third state, following California and New Jersey, to enact paid family leave legislation, The Rhode Island Parental and Family Medical Leave Act.<sup>42</sup> Under an amendment to the State’s Temporary Disability Insurance Act, the Rhode Island Temporary Caregiver Insurance program, which covers 80% of Rhode Island’s workforce, is financed through a small employee pay roll deduction and is of no cost to the state or employers. The payroll deduction is calculated at 1.2 percent of the first \$62,700 of income. For example, workers making \$43,000 annually pay 83 cents a week in payroll deductions, which provide for four weeks of paid leave. The number of paid leave weeks available to workers will double by 2015. The minimum weekly payment will be \$72, and the maximum a worker can receive will be \$725.<sup>43</sup> The program provides workers with paid leave when they have a new child, adopt a child or need to care for a sick relative.

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<sup>40</sup> A Better Balance (2013). Investing in Our families: the Case for Family Leave Insurance in New York and the Nation. [Available Online](#)

<sup>41</sup> National Partnership for Women and Families. (2014). *Paid Sick Days*. [Available online](#).

<sup>42</sup> Rhode Island Department of Labor and Training (2013). Rhode Island Parental and Family Medical Leave Act. [Available Online](#)

<sup>43</sup> Rhode Island Department of Labor and Training. (2014). Temporary Caregiver Insurance. [Available online](#).

### **Strategy #3 – Provide Supports for Families with Multiple Barriers**

Child and youth well-being is dependent on the well-being of parents and caregivers, which is strongly tied to parental capacity, concrete supports and social connections. Families with multiple barriers, such as a history of mental health issues, substance abuse or domestic violence are often more susceptible to falling behind and becoming even less financially secure. Additionally, parents or family members that are reintegrating ex-offenders and adults with low levels of literacy have significant obstacles to overcome related to finding meaningful employment. In order to ensure that children avoid the difficulties experienced by their parents whenever possible, it is critical for policy to support parents experiencing overlapping barriers. The most effective way to alleviate the struggles these families may face is by providing personalized supports and services and by strengthening policies and programs that improve access to comprehensive work supports. Respect, compassion, peer support and mentoring are essential to the success and independence of these families.

- *Ensure that Families with a History of Mental Health, Substance Abuse or Domestic Violence Receive the Proper Supports and Services to Allow for Successful Integration into Work.* It is important to prioritize the safety and well-being of children in families with multiple barriers by providing comprehensive services that include treatment and support for issues that can interfere with parenting. Families that have come in contact with issues related to mental health, substance abuse or domestic violence will need a targeted, rather than universal approach to effectively meet their needs. When left untreated, mental health and substance abuse issues can be detrimental to both the parent and the child's well-being. Access to mental and behavioral supports and services can increase a parent's capacity to provide a safe and stable home and decrease the risk of childhood trauma.<sup>44</sup> Increasing access to treatment can have positive impacts on child well-being—both in childhood and as children grow into adults. Quality, evidence-based home-visiting programs help to create better outcomes for babies and families with multiple barriers. These programs also promote family self-sufficiency and provide a link to social support services.<sup>45</sup>

The Children's Trust Fund is a **Massachusetts** state agency that manages a number of parenting support programs dedicated to creating better outcomes for families with multiple barriers. The Healthy Families Massachusetts program in particular has helped families reach significant milestones as a newborn home visiting program that supports young, first-time parents and helps them create stable, nurturing environments for their children, while also counseling parents on achieving personal goals, such as going back to school or securing a job. For instance, 83 percent of mothers participating in Healthy Families are enrolled in school, and 70 percent of mothers who were not in school when they enrolled in the program have returned to get their high school diplomas.<sup>46</sup> The children in Healthy Families Massachusetts on average were developmentally on target despite national research that shows children of teen parents are at greater risk for developmental delays.

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<sup>44</sup> Dolan et al. 2011 as cited in Golden and Emam 2013.

<sup>45</sup> The Pew Charitable Trust (2013). Home Visiting Campaign. [Available Online](#)

<sup>46</sup> Children's Trust. (2014). Healthy Families. [Available online.](#)

- *Promote Policies that Reduce Barriers for Reintegrating Ex-Offenders.* One in every 28 children in the United States has a parent behind bars, which means that policies that reduce barriers for reintegrating ex-offenders have the potential to positively impact numerous children and multiple generations.<sup>47</sup> Without the proper support, ex-offenders have high rates of recidivism, and having a parent who is incarcerated can impede the well-being and economic success of a child. Ex-offenders face multiple barriers to employment that make it nearly impossible to reintegrate into society successfully without support. Workforce strategies for reintegrating ex-offenders should include increasing the opportunities offered to further education, employment and asset development.

*Read our [report](#) on promoting workforce strategies for reintegrating ex-offenders and check out our related web [resource](#).*

In 2009, the **Minnesota** state legislature passed Ban the Box legislation,<sup>48</sup> which required all public employers to wait until a job applicant has been selected for an interview before asking about criminal records or conducting a criminal background check.<sup>49</sup> In Minnesota, 92 percent of employers conduct background checks when seeking employees and many reported they would disqualify a job applicant based on a criminal record.

Unfortunately, this was having a major impact on the financial stability of families in the state. One in five Minnesotans have a criminal record, and Minnesota ranks as the 8<sup>th</sup> highest state in the nation for citizens who are incarcerated or currently under court supervision.<sup>50</sup> In 2013, the state legislature amended this law to include private employers, and extended protections to job applicants with criminal records. The amendment goes further to make it illegal for an employer to disqualify a person because of their criminal record, unless it is directly related to the available position. This new law removes some of the barriers ex-offenders faced, effectively increasing the potential labor force in Minnesota. This gives ex-offenders an opportunity to create better outcomes for themselves and their families.

- *Promote Opportunities to Advance Adult Literacy.* 30 million adults in the United States, 14 percent of the population, cannot read beyond that of the average 3<sup>rd</sup> grader; however, only 3 million will have access to education services.<sup>51</sup> Without basic reading skills, these adults will face significant obstacles in finding work and supporting their families. Adults with low literacy skills also find difficulty in financial literacy and are more likely to fall victim of predatory lenders and financial scams that would further jeopardize their family's economic stability.<sup>52</sup> Without the ability to read, these adults will be unable to keep pace with technological advances and, as a result, will be left out of opportunities that are accessible only through the Internet. Family literacy programs create an opportunity for low-income parents to keep pace with technological advances, as well as increase social supports for parents through activities that foster healthy educational activities that build relationships with

<sup>47</sup> Pew Charitable Trusts (2010). *Collateral Costs: Incarceration's Effect on Economic Mobility*. [Available online](#).

<sup>48</sup> The Office of the Revisor of Statutes (2013). 2103 Minnesota Statutes. [Available Online](#)

<sup>49</sup> Minnesota Department of Human Rights (2013). Minnesota Bans the Box. [Available Online](#)

<sup>50</sup> Hasase, M. (2013). "Ban the box": a major milestone on a long road. [Available Online](#)

<sup>51</sup> ProLiteracy. (2013). "Growing Demand, Dwindling Resources." [Available online](#).

<sup>52</sup> ProLiteracy. (2013). "Growing Demand, Dwindling Resources." [Available online](#).

educators and community members.

The state of **Pennsylvania's** Family Literacy program is an intergenerational program that seeks to lift families out of poverty and increase literacy for both children and parents by providing early childhood and adult education services.<sup>53</sup> Parents gain the necessary literacy and financial literacy skills that help create better economic outcomes for their families and children receive quality early education services. This state funded, two-generational program creates a collaboration of community resources that provide integrated and comprehensive services to meet the needs of low income families and includes English as a Second Language classes.<sup>54</sup> Parents who participated in the program were found to have significant gains in their reading, writing and math skills. They also learned to better support their child's literacy development. Children made significant gains in their socio-emotional development, cognitive skills and language skills. A study of the program found that 91 percent of parents received their GED, 77 percent of parents read to their children more and 73 percent of participants were able to retain employment.<sup>55</sup>

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<sup>53</sup> National Commission on Adult Literacy (2007) Family Literacy in Adult Education: The Federal and State Support Role. [Available Online](#)

<sup>54</sup> National Governors Association Center for Best Practices (2002). Family Literacy: A Strategy for Educational Improvement. [Available Online](#)

<sup>55</sup> Pennsylvania Department of Education (2010). Family Literacy in Pennsylvania: A report to the Community. [Available Online](#)

## Strategy #4—Invest in Young Children

Children growing up in low-income families tend to fall behind in educational settings significantly faster than their more economically secure peers. It is crucial to invest in early education, since gaps begin to grow starting in infancy and only continue to expand into adulthood when left unaddressed.<sup>56</sup> Increasing investments in multi-generational strategies that support both parents and their children can help to alleviate poverty twofold and can lead to better outcomes for these children as they transition into adulthood. Quality child care, early learning programs and subsidized child care opportunities can help to minimize the achievement gaps caused by poverty and reduce the likelihood that children continue to be poor as adults. Research shows that high-quality early care and education programs provide enormous societal benefits. For every one dollar invested in quality early child care, the state saves \$11 — five dollars of which are savings in crime and corrections costs over time.<sup>57</sup>

*“In states that make it a priority to educate our youngest children... studies show students grow up more likely to read and do math at grade level, graduate high school, hold a job, form more stable families of their own. We know this works. So let’s do what works and make sure none of our children start the race of life already behind.”*

*President Barack Obama; State of the Union, February 12, 2013*

- **Increase Quality Child Care and Early Learning Programs.** Quality childcare and early learning programs have proven to increase the likelihood of educational attainment. Data from early grades have been powerful predictors of achievement and outcomes; therefore, strong foundational skills in reading, math and writing are fundamental for successes in high school, college and in the workplace.<sup>58</sup> Along with an array of other factors, early learning programs targeted at low-income children can help to increase future success; however, unfortunately, high-quality early opportunities are often cost-prohibitive, and access is limited for many low-income families. Only 42 percent of eligible children are served in Head Start preschool and less than 4 percent of eligible children are served in early Head Start.<sup>59</sup>

**Nebraska’s** Early Head Start Infant and Toddler Quality Initiative has supported Early Head Start and community child care collaborations to increase professional development opportunities for child care providers and improve the quality of care for infants and toddlers. Nebraska leverages partnerships between local child care centers and family child care homes to bring together federal expertise and local resources to improve the quality of child care through the state. Through the work of this initiative, Nebraska has been able to increase the number of children served in

<sup>56</sup> Halle, T., Forry, N., E., Hair, E., Wandner, L., and Vick, J. (2009, June). *Disparities in Early Learning and Development: Lessons from the Early Childhood Longitudinal Study—Birth Cohort*. [Available online](#).

<sup>57</sup> Fight Crime: Invest in Kids Maine (2012). High-Quality Early Care and Education: A key to reducing future crime in Maine. [Available Online](#)

<sup>58</sup> ACT Research and Policy (2013). College and Career Readiness: The Importance of Early Learning. [Available Online](#)

<sup>59</sup> National Women’s Law Center. (2012). Calculation of Department of Health and Human Services Head Start data and American Community Survey data. [Available online](#).

quality child care facilities. Early Head Start Programs apply for funding to establish partnerships with center-based or home based child care providers. Once a partnership is in place, the federal Early Head Start grantees provide technical assistance and professional development to the local child care providers, and local child care centers are able to share best practices.<sup>60</sup> There are currently 53 partnerships in existence. Through this Initiative low income families are able to access quality affordable childcare. This allows for parents to work, while also providing the necessary early education requirements to adequately give children a strong start in school - creating better outcomes for the family in the future.

- *Increase Subsidized Child Care Opportunities.* The average fee for full-time child care ranges from approximately \$3,900 to \$15,000 a year, depending on where the family lives, the type of care provided and the age of the child. This cost is a substantial financial burden for low-income families. Child care subsidies help to assist families to offset the cost.<sup>61</sup> Unfortunately in 2012, child care assistance spending fell to a 10-year low, while the number of children receiving CCDBG funding for child care fell to a 14-year low; about 263,000 fewer children received CCDBG-funded child care in 2012 than in 2006.<sup>62</sup> Reduced funding for these subsidies will seriously impact low-income families working to support their children. Many low-wage jobs would actually make work a financial burden for low-income and poor families – with child care costing more than the families earning potential through work. Requiring parents to choose between child care and work is restrictive to the financial success and independence of low-income families. Increasing subsidies for child care can provide an increased number of families with the opportunity to work toward success.

In the state of **Massachusetts**, the Department of Early Education and Care (EEC) provides contracts to family child care (FCC) systems to ensure the quality of child care and increase subsidized child care opportunities throughout the state. All FCC systems in the state that agree to provide subsidized early education and care services through its affiliated providers must hold a contract with EEC.<sup>63</sup> FCC systems are contractually obligated to provide a multitude of services to better support low income families, children and their providers. Family care is a very common type of child care for children under three in Massachusetts. In 2009, more than 28 percent of children receiving subsidies in the state were infants and toddlers, and more than 28 percent of these children were cared for in family child care or group child care homes.<sup>64</sup>

- *Integrate Early Learning Program Standards in Child Care and Head Start.* Not only is access to child care and early learning programs necessary, but quality is also an important aspect to consider. Unfortunately, limited access to high quality programs has been restrictive for many low-income families. Children who attend high quality early learning programs often demonstrate better results compared to their peers in a number of developmental domains. Research demonstrates that high-quality child care with warm, responsive and skilled caregivers; healthy and safe environments;

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<sup>60</sup> Colvard, J. and Schmit, S. (2012) *Expanding Access to Early Head Start: State Initiatives for Infants and Toddlers at Risk*. Center for Law and Social Policy and Zero to Three. [Available Online](#).

<sup>61</sup> National Women's Law Center (2013). *Pivot Point: State Child Care Assistance Policies 2013*. [Available Online](#)

<sup>62</sup> Center for Law and Social Policy. (2014). *Child Care Assistance Spending and Participation in 2012*. [Available online](#).

<sup>63</sup> Center for Law and Social Policy. (2013). *Better for Babies*. [Available online](#).

<sup>64</sup> Center for Law and Social Policy. (2014) *Massachusetts: Family Child Care System Contracts*. [Available online](#).

and linkages to community supports help promote healthy development for infants and toddlers and create a better outcomes for the child's future.<sup>65</sup> In addition to early learning opportunities, Early Head Start's comprehensive early childhood development programs provide children and families with access to a variety of services such as health screenings, referrals and follow-up support, as well as parenting resources, which helps to positively impact the overall well-being of children and families.<sup>66</sup> Programs that integrate high-quality care standards and address the holistic needs of families help to foster family stability and promote positive outcomes for low income children and families.

**Oklahoma's** Early Childhood Pilot Program provides comprehensive, full-day, full-year services for at-risk children aged zero to four.<sup>67</sup> The program combines public and private money to expand access to high-quality early care and education.<sup>68</sup> The initiative is funded through state general revenue and private foundation funding.<sup>69</sup> Participating child care programs receive funding, training, and technical assistance to meet EHS standards.<sup>70</sup> State regulations require the employment of bachelor-degreed, certified teachers, and family support workers for all enrolled children.<sup>71</sup> The program has positively impacted children by providing and has an adult/child ratio of 1:10 and curriculum appropriate for age development.<sup>72</sup>

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<sup>65</sup> Center for Law and Social Policy. (2013). *Better for Babies*. [Available online](#).

<sup>66</sup> U.S. Department of Health and Human Services, Administration for Children and Families, "Making a Difference in the Lives of Infants and Toddlers and Their Families: The Impacts of Early Head Start." [Available Online](#)

<sup>67</sup> Oklahoma State Department of Education. (2011). *Oklahoma Early Childhood Programs*. [Available online](#).

<sup>68</sup> Colvard, J. and Schmit, S. (2012) *Expanding Access to Early Head Start: State Initiatives for Infants and Toddlers at Risk*. Center for Law and Social Policy and Zero to Three. [Available Online](#).

<sup>69</sup> Colvard, J. and Schmit, S. (2012) *Expanding Access to Early Head Start: State Initiatives for Infants and Toddlers at Risk*. Center for Law and Social Policy and Zero to Three. [Available Online](#).

<sup>70</sup> Oklahoma State Department of Education. (2011). *Oklahoma Early Childhood Programs*. [Available online](#).

<sup>71</sup> Oklahoma State Department of Education. (2011). *Oklahoma Early Childhood Programs*. [Available online](#).

<sup>72</sup> Oklahoma State Department of Education. (2011). *Oklahoma Early Childhood Programs*. [Available online](#).

## Success Story: Washington

Education and job training plays a strong role in providing parents with the skills necessary to compete in a competitive workforce. Programs that provide parents with an opportunity to cultivate their skills, while providing additional support such as referral and counseling services can help provide parents in successfully supporting their children.

In Washington, the Open Doors Young Adults Reengagement Initiative proves to be the best example of statewide policy that supports reengagement efforts. Established in 2010 by the Washington Office of State Public Instruction (OSPI), the program provides reengagement services for out-of-school students not expected to graduate by age 21 through partnerships between local school districts and inter-local agreements with qualifying organizations, such as community colleges, community-based organizations and others.<sup>73</sup> The program funds basic education directly to community colleges undertaking recovery programs in agreement with a local school district. Additionally, the program allows for case management, counseling, and resource and referral services, while providing students with the opportunity to enroll in college course tuition-free.<sup>74</sup> A state cost study projected \$250 million in savings for every 600 reengaged former dropouts, and with more than 30,000 students classified as dropouts during the past three years, the potential savings is substantial.<sup>75</sup> In the first year of the program, local school districts and partners, including several cities have established 22 programs across the state.<sup>76</sup>

The state of Washington has implemented a range of policies and programs that support parents and their children to increase economic success and positive outcomes.

- Working Connections Child Care (WCCC) helps low-income families pay for child care by providing subsidies up to 200 percent FPL with increasing copayments. Copayments are \$15 up to 82 percent FPL, \$50 between 82-137 percent FPL and increasing beyond 137 percent FPL.<sup>77</sup>
- Washington's Child and Adult Care Food Program (CACFP) provides federal funds to nonresidential child care and adult care facilities to serve nutritious meals and snacks with the goal of improving and maintain the health and nutritional status of children and adults in care with promoting the development of good eating habits. Child care and adult care centers may participate if at least 25 percent of the participants in care are eligible for free or reduced-price meals.<sup>78</sup>
- Washington's Opportunity Grant Program invests \$15 million in grants in tuition and fees and up to \$1,000 for additional expenses such as child care. Colleges receive an additional \$1,500 for each Opportunity Grant student to provide support services that help keep students in school. Eligibility is up to 200 percent FPL.<sup>79</sup>
- Washington's OSPI's Children of Incarcerated Parents Support, in collaboration with the Department of Corrections and the Department of Social and Health Services, provide information and technical assistance to parents, families, teachers, school administrators and the public to improve services to children with parents in prison, such as providing regular contact between parent and child that can decrease recidivism rates and the chances of the child going to prison in later life.<sup>80</sup>
- Migrant Education Program (MEP), funded as a part of the Elementary and Secondary Education Act of 1965, Title I, Part C, funds high-quality education programs for migratory children and help ensure that children are not penalized by disparities among states in curriculum, graduation requirements, or state academic content and student academic achievement standards. Services provided include supplemental academic programs to family home visiting, academic counseling services and health programs.<sup>81</sup>

<sup>73</sup> Shaffer, Barry. (2013). The Working Poor Families Project. *State Opportunities for Reconnecting Young Adults to Education, Skills Training and Employment*. [Available online](#).

<sup>74</sup> Shaffer, Barry. (2013). The Working Poor Families Project. *State Opportunities for Reconnecting Young Adults to Education, Skills Training and Employment*. [Available online](#).

<sup>75</sup> National League of Cities. (2013). *Reconnecting Youth through Dropout Reengagement Centers*. [Available online](#).

<sup>76</sup> National League of Cities. (2013). *Reconnecting Youth through Dropout Reengagement Centers*. [Available online](#).

<sup>77</sup> Washington State Department of Early Learning. (2010). *Working Connections Child Care*.

<sup>78</sup> Office of Superintendent of Public Instruction. (2014). Child and Adult Care Food Program. [Available online](#).

<sup>79</sup> Spotlight on Poverty. *Strategies to Build Economic Security and Reduce Poverty: A Tool Kit for States*. [Available online](#).

<sup>80</sup> Office of Superintendent of Public Instruction. (2014) *Children of Incarcerated Parents*. [Available online](#).

<sup>81</sup> Office of Superintendent of Public Instruction. (2014) *Migrant Education Program*. [Available online](#).

## IMPLEMENTATION & ACCOUNTABILITY

### **Implementation**

Because of the variety in proven interventions, states and communities have leeway to find programs that suit local values, opportunities and budgets. The key is to select strategies that have documented effectiveness, assure that they are implemented well and recognize the critical importance of a strong commitment to continuous program improvement.

- *Match expectations with sufficient resources.* Be clear about the goals, purpose and target audience for specific programs. Provide sufficient resources to ensure fidelity to the evidence-based model or modify expectations to accommodate variances.
- *Identifying barriers.* Effective policy development requires the identification of factors that may impede effective implementation.
- *Make provisions for broad-based input.* When involvement will increase the likelihood that the needs of children and families are being met by the policy, engage community stakeholders (children and youth, parents, schools, service providers, faith leaders and community groups) in implementation.
- *Support local capacity and communication.* Provide technical assistance, monitoring and oversight to local programs and agencies. Create opportunities for local-to-local communication, best practice sharing and local input on state policy decisions.
- *Support ongoing evaluation* and continuous program improvement.

### **Considering Co-Investment**

Are we consulting with appropriate experts, advocates and constituents?

Are we ensuring that families being consulted and that their views and experiences are being considered?

## Accountability

Evaluation is essential for successful policy implementation and to ensure intended outcomes. Accountability requires determining whether programs are implemented correctly, the right programs and strategies are used, progress is measured appropriately and children and families are benefiting. This is established through both monitoring results (what we are trying to accomplish) and monitoring performance (how we tried to accomplish it).

- *Monitoring Results.* Through data, other information and consultation, it is possible to determine if the results we set out to achieve for children and families have been attained. By reexamining the selected indicators we can measure our progress toward the desired result.
- *Monitoring Performance.* Oversight requires policy-makers to determine if policy objectives have been achieved by focusing attention on the performance of specific programs or agencies. This involves reviewing individual programs and their impact on the lives of the people the program is designed to serve.
- *Assign responsibility for realistic outcomes.* Responsibility for outcomes should be designated based on the appropriate roles, resources and capacity of public and private stakeholders.
- *Establish oversight bodies* that consistently review key actions by state agencies.
- *Measure and report progress* to stakeholders and the community. Require public availability of data to allow administrators, policymakers and the public to measure the state's progress on key outcomes.

Created in 2007, the [Vermont Child Poverty Council \(VCPC\)](#) is a subcommittee of the Vermont State Legislature tasked with reducing child poverty by fifty percent by the year 2017. Because of the unique characteristics of those in poverty in Vermont, the VCPC created a broad range of benchmarks to comprehensively measure progress toward reducing child poverty. Data are gathered through partnerships between the VCPC and non-governmental organizations throughout the state. The VCPC works with the Rockefeller Center of Dartmouth College to evaluate and improve data tracking and accountability measures, as well as to publicize its progress toward reaching their target.

## **FUNDING**

In order to ensure that state policies are sustainable it is important to consider ways to both maximize federal and state resources and to utilize public-private partnerships. To that end, there are several opportunities to support state efforts to support children and families living in poverty. For example:

### **State Funding Strategies**

*Utilize Payroll Taxes.* Paid family leave has been funded through payroll taxes in **California, Rhode Island** and **New Jersey**. Similar to the way that Unemployment Insurance is financed, states can utilize payroll tax revenue to assist working families and make maintaining stable employment less difficult for working parents of young children.

*Maximize federal reimbursements.* The federal government pays 100 percent of food assistance program benefits. Federal and State governments share administrative costs (with the federal government contributing nearly 50 percent). Alternately, by providing a TANF or Maintenance of Effort-funded benefit that meets the definition of “assistance” under the TANF rules, a state can count these working families towards its work participation rate and boost the rate it achieves. Thus, the approach can help states meet federal requirements and assist in avoiding federal fiscal penalties, while also supporting low-income families as they transition into employment.

*No-cost legal restrictions.* Protections such as a 36 percent cap on small loans require very little new costs because states already have systems in place to monitor and enforce compliance with lending laws. These restrictions may actually save money because they can replace more complicated laws that that apply unique restrictions to different types of lenders.

*Cost-neutral tax code adjustments.* Tax-relief for low-wage working families could be provided at no cost to the state by closing tax loopholes or raising rates in other areas of the tax code.

*Refundable State Earned Income Tax Credit.* In Minnesota, the Minnesota Working Families Credit follows eligibility for the federal EITC and starts the refund at 25 percent of the federal and slowly increases. When the federal EITC phases out, the Minnesota Working Families Credit continues to increase up to about 42 percent of the federal EITC. This change occurred in 1998 when it was discovered that families earning income to move off of welfare experienced no net gain in resources as they earned more, paid taxes and lost their welfare grant, the federal EITC and the state Working Families Credit. Rather than a percentage of the federal EITC, the Working Families Credit is now calculated as a percentage of earned income.

*Establish Tax Incentives for Businesses.* In Maryland, businesses locating in a Maryland Enterprise Zone may be eligible for income tax and real property credits in return for job creation and investments. Businesses located in one of two focus areas are also eligible for personal property tax credits. Businesses can receive up to \$1,500 credit per new employee and \$9,000 per employee over three years.

## **Maximize Federal Funds**

*Child Care Development Block Grants (CCDBG).* CCDBG can be used to supplement state general revenue funds for child care assistance for low-income families. Funds may be used for child care services on a sliding fee scale basis, activities that improve the quality or availability of such services, and other activities that realize the goals of the CCDBG. Certain amounts of provided funds must be used for specific purposes: quality expansion; infant and toddler quality improvement; and child care resource and referral, including a national toll-free hotline; and school-age child care activities.

*Food Stamp Employment and Training (FSET).* FSET is a federal program that provides grants to states to provide job training services for food stamp recipients. In addition, this program also provides unlimited 50 percent federal funding match for additional state and local funds invested in training for this population. States that access these uncapped matching funds can leverage significant federal dollars to provide expanded job training and related supports to those at the lowest end of the income scale.

*Emergency Unemployment Compensation (EUC).* EUC provided up to 34 weeks of benefits to eligible jobless workers in every state, and up to 19 additional weeks in states with “high unemployment” for a maximum of 53 weeks. However, EUC has not been extended since the program expired on January 1, 2014, with no phase-out period, which ceased all payments when the program ended.

*Women, Infants and Children (WIC).* WIC is a federal program that provides supplemental nutritious foods, nutrition education and counseling, and screening and referrals to other health, welfare and social services. The program is funded through grants awarded to state agencies. The WIC State agencies award subgrants to local agencies to certify applicants’ eligibility for WIC program benefits and deliver benefits to eligible persons.

*National School Lunch Program.* Local school districts can apply to their state department of education for permission to participate in the federally subsidized school lunch program. In order to receive federal funding for school lunch programs, states are required to contribute matching funds equal to 30 percent of the federal funds they received in 1980. Since the matching funds are frozen at 1980 levels, state required contributions are often very small relative to the federal reimbursement level.

*Adult Basic Education.* The Adult Education and Family Literacy Act (AEFLA) provides basic reading and math education, assisting adults with obtaining a high school or equivalent degree, and literacy assistance for individuals with limited English Proficiency. The program is incorporated in Title II of the Workforce Investment Act, and the federal government invests approximately \$579 million in formula grants to the states according to the number of adults 16 and older not enrolled in school without a secondary degree. States are required to provide a 25 percent matching requirement as well as Maintenance of Effort Funding.

*Federal funding for EITC outreach and free tax preparation.* In 2009, for the first time, the Internal Revenue Service (IRS) made \$8 million available to government and nonprofit entities across the nation working to raise awareness of the EITC and provide free tax preparation services for low-income people. See a [list of 2011 grantees in your state](#). The IRS posts updated information for this funding source on the [IRS Community Service website](#).

*TANF funding for EITC.* Several states use TANF funding to help support state EITCs. TANF funds can be used to support the portion of the EITC that is refunded to TANF recipients. As of 2011, 21 states are using TANF funds to help support the state EITC efforts.

*Head Start.* The Head Start program grantees are required to assure that children receive developmental screenings and are linked to follow-up testing and treatment for children with development delays or suspected disabilities. Head Start and Early Head Start funding can be used to support this requirement in various ways, including trainings for practitioners and building systems of coordination with mental health, Part C and the child welfare agencies.

*Race to the Top Early Learning Challenge.* The Race to the Top Early Learning Challenge the way with ambitious yet achievable plans for implementing coherent, compelling, and comprehensive early learning education reform. Some states have received supplemental grants, bringing the total funding per state to between \$10 million and \$22 million.

*Temporary Assistance for Needy Families (TANF).* States can use TANF dollars to fund preventive programs, such as assessments, that support children's healthy social, emotional and behavioral development while reducing out-of-home placement.

*Community Services Block Grant.* The Community Service Block Grant is a formula grant available to states through a Department of Health and Human Services application process. Funds can be used, in part, for strengthening educational opportunities and providing services and activities that help low-income individuals achieve greater participation in the affairs of the community.

## **Partner with Foundations**

*The Foundation for Child Development (FCD).* FCD leads efforts to better understand American children's quality of life by using social indicators to measure child well-being at the federal and state levels and disseminates their findings through the Child Well-Being Index (CWI) that combines separate sources of national data about American children into a report. The report reflects the overall well-being of children in the United States and how trends in specific areas of well-being have changed each year since 1975. FCD supports the restructuring of preschool through third grade into a well-aligned first level of public education for children (age three to eight). FCD awards an average of 14 grants per year to support research, policy development, advocacy, and communications strategies related to preschool-third grade education. New American Children grants focus on stimulating basic and applied research on children (birth through age ten) living in low-income immigrant families.

*The W.K. Kellogg Foundation.* The Kellogg Foundation provides grants based on their programming framework for educated kids, healthy kids, secure families, and racial equity and civic engagement and invests in efforts to help increase families' economic and social mobility. The Foundation also connects financial resources and job skills training, so families can be debt-free, pay bills and feel empowered to help their children succeed.

*The Annie E. Casey Foundation (AECF).* The Annie E. Casey Foundation is a private charitable organization dedicated to bettering outcomes for children in the United States through investments in a comprehensive, two-generation approach to help isolated families

secure adequate incomes, stabilize their finances, accumulate savings and live in vibrant, economically viable neighborhoods. The Foundation invests in innovative demonstration projects in specific locations that focus on vulnerable populations, such as new immigrants, single parents, individuals formerly incarcerated and families living in communities of concentrated poverty.

*The Ford Foundation.* The Ford Foundation is an independent, nonprofit, nongovernmental organization that awards grants or loans that build knowledge and strengthen organizations and networks on key problem areas and program strategies. The Foundation focuses their work on supporting low-wage workers by promoting workplace policies, expanding opportunities for poor and low-income families to build economic security and improving overall opportunities for low-wage workers to support their families.

*Open Society Institute (OSI).* OSI focuses on the effectiveness of place-based philanthropy and have targeted investments toward some of the biggest challenges facing Baltimore and other urban centers in the United States. OSI programs are dedicated to improving better outcomes for children as well as to revitalizing underserved communities. The Foundation has spent over \$90 million in 14 years to support its comprehensive approach to the root causes of poverty and injustice.

#### *The Skillman Foundation.*

The Skillman Foundation awards grants that have the ability to make a meaningful social impact coupled with solid financial and operational practices. Investments benefit children directly, improve educational outcomes and strengthen neighborhoods. The Foundation began a targeted neighborhood-based children's change effort in 2006 called Good Neighborhoods, which is a 10-year, \$100 million commitment to six Detroit neighborhoods: Brightmoor, Cody Rouge, Chadsey Condon, Northend Central Woodward, Osborn and Southwest Detroit. The neighborhoods were selected because of the large number of children living there. The Foundation tailors their approach to each place so that children can lead successful lives as adults by focusing on high quality education, youth development, safety and community leadership.

## **FINANCING PRINCIPLES: What Does It Take to Invest in Results?**

*While the above are financing options to specifically promote early healthy development there are some universal guidelines around funding that should be considered with any results-based public policy initiative.*

**A compelling vision.** Powerful visions – such as clear and compelling goals for improving children’s lives – are magnets for resources.

**Aligning financing with results.** The goal is to invest in policies, programs and practices that research and experience indicate will contribute to better results for children. Policymakers can act to ensure that desired results drive financing, instead of available funding driving policy and programs.

**Effective use of existing resources.** The number one financing priority is to use resources that you already have to pay for better results. Fiscally responsible approaches that are accountable to taxpayers focus on spending existing funds in more effective ways.

**Packaging financing.** No single financing approach will support the change required to achieve ambitious targets for improving children’s lives. The best results are accomplished with financing packages that draw from a wide array of resources, instead of getting stuck on a single funding stream or financing approach.

**Leveraging resources.** Even small amounts of money can be leveraged to have positive impact. For example, grants from foundations or the federal government can provide seed money for shifting investments.

**Local-state-federal-private financing partnerships.** Federal policies, funding streams and regulations have an enormous impact on the well-being of state residents. Likewise, communities are dramatically affected by both state and federal financing. While cost shifting across levels of government can have dire consequences, carefully crafted agreements developed in partnership can provide powerful incentives for change.