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***Recession Increases Number of Children Living in Low-Income Families by 7% to 31 Million  
7.8 Million Children Lived With at Least One Unemployed Parent in 2010***

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Baltimore, Md., Aug. 17, 2011 – According to data released by the Annie E. Casey Foundation in its annual *KIDS COUNT*<sup>®</sup> *Data Book*, over the last decade there has been a significant decline in economic well-being for low income children and families. The official child poverty rate, which is a conservative measure of economic hardship, increased 18 percent between 2000 and 2009, essentially returning to the same level as the early 1990s. This increase means that 2.4 million more children are living below the federal poverty line. Data also reveals the impact of the job and foreclosure crisis on children. In 2010, 11 percent of children had at least one unemployed parent and 4 percent have been affected by foreclosure since 2007.

“In 2009, 42 percent of our nation’s children, or 31 million, lived in families with incomes below twice the federal poverty line or \$43,512/year for a family of four, a minimum needed for most families to make ends meet,” said Laura Speer, associate director for Policy Reform and Data at the Casey Foundation. “The recent recession has wiped out many of the economic gains for children that occurred in the late 1990s. Nearly 8 million children lived with at least one parent who was actively seeking employment but was unemployed in 2010. This is double the number in 2007, just three years earlier. The news about the number of children who were affected by foreclosure in the United States is also very troubling because these economic challenges greatly hinder the well-being of families and the nation.”

The *Data Book* also provides the most current information about 10 key measures of child well-being the Foundation has tracked over the last twenty years. Since 2000:

- **Five areas have improved:** the infant mortality rate, child death rate, teen death rate, teen birth rate, and the percent of teens not in school and not high school graduates.
- **Three areas have worsened:** the percent of babies born low-birthweight, the child poverty rate, and the percent of children living in single-parent families.
- **Two areas are not comparable:** changes made to the American Community Survey’s (ACS) 2008 questionnaire regarding employment affected the ability to track trends for the percent of teens not in school and not working, and the percent of children in families where no parent has full-time, year-round employment. Although comparisons cannot be made back to 2000, both indicators worsened between 2008 and 2009.

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The *Data Book* ranks states based on their performance across the 10 indicators of child well-being. New Hampshire, Minnesota, and Massachusetts rank highest, while Alabama, Louisiana, and Mississippi rank the lowest. The eight states with the biggest improvements in their rankings between 2000 and the most recent years of data are New York, Maryland, Connecticut, Massachusetts, North Carolina, Oregon, Virginia and Wyoming. The five states with the biggest drops in their rankings are South Dakota, Maine, West Virginia, Hawaii and Montana.

The KIDS COUNT Data Center (<http://datacenter.kidscount.org>) provides information about the 10 key measures tracked in the Data Book in addition to hundreds of other indicators of child well-being by state, county, city, and congressional district. This year, the Data Center is enhanced by a user-friendly new mobile site, accessible at <http://mobile.kidscount.org>.

“The research and data tell us that children who grow up in low-income families are less likely to successfully navigate life’s challenges and achieve future success,” said Patrick T. McCarthy, president and CEO of the Casey Foundation. “To decrease the numbers of children who are at risk for bad outcomes as a consequence of economic hardship, we must invest in strategies that can help children reach their full potential. In the wake of the recession, the Casey Foundation urges policymakers to focus on ensuring the next generation of children is healthy, educated, and prepared to compete in a global economy.”

The 2011 *Data Book* message, “America’s Children, America’s Challenge: Promoting Opportunity for the Next Generation,” examines how children and families are faring in the wake of the recession and ties together research findings on family economic success and the critical role of investing in early childhood programs that can allow the next generation to succeed. At the core of the message is the Casey Foundation’s belief that providing the opportunity for all children to succeed requires two-generation strategies that simultaneously help parents put their families on a path to economic success *and* enhance children’s social, emotional, cognitive, and physical development from birth.

The Casey Foundation recommends six strategies that can help move low-income families onto the path for prosperity:

- **Strengthen and modernize unemployment insurance (UI) and promote foreclosure prevention and remediation efforts:** Economic security is important throughout a child’s development. A continued extension of UI benefits for the long-term unemployed beyond the end of 2011 is recommended if the unemployment rate has not significantly improved. State legislation could be enacted, such as mandatory foreclosure mediation and permanent federal tenant protections so that renters who live in properties at risk for foreclosure do not lose their lease.
- **Preserve and strengthen existing programs that supplement poverty-level wages, offset the high cost of child care, and provide health insurance coverage for parents and children:** Valuable tax credits such as the refundable Earned Income Tax Credit should be preserved, as these credits have been effective in lifting 6.6 million Americans above the federal poverty line (2001). Low- and moderate-income families’ access to subsidized child care should be the priority. While states have done a good job of using Medicaid and the State Children’s Health Insurance Program to provide health insurance coverage for parents and children, states should continue to develop strategies to bridge the payment gaps to ensure that this generation and the next are healthy and strong.

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- **Promote savings and asset protection and help families gain financial knowledge skills:** Having access to good financial products can provide safe mechanisms for savings. Innovative pilot programs, such as delivering federal tax refunds electronically to prepaid debit cards, rather than being issued by check, can help prevent situations where a check can be quickly cashed and spent. Several states have adopted legislation to curb high-cost payday loans that can trap a family in a cycle of debt.
- **Promote responsible parenthood and ensure that mothers-to-be receive prenatal care:** Research has shown that children do better when they grow up in an intact two-parent family, both in terms of economic well-being and longer term outcomes. Efforts should be encouraged to find ways to remove disincentives to marriage and to support two committed, married parents as the best environment to raise children. The health of infants and young children is closely tied to the health of their mothers during pregnancy. Expanded access to prenatal care could be given to more pregnant women if states raised the eligibility standard for public health insurance.
- **Ensure that children are developmentally ready to succeed in school:** Home visiting and other parenting support programs can help parents understand the critical role they play in their child's early development. The tough economic climate has placed some early childhood programs at risk –Head Start and Early Head Start – as federal funds dry up and states face large deficits. As state economies recover, policymakers should continue to support these programs and improve their quality.
- **Promote reading proficiency by the end of third grade:** Reaching the milestone of reading on grade level by the end of third grade is critical to ensure that the next generation of students can compete globally. Deeper connections between the early childhood and K-12 systems and ensuring more consistent standards across states can better serve children and result in increased student achievement.

“There is a great deal of knowledge about how to help struggling families get back on track and increase their children’s chances for success while building a vibrant economy,” concluded McCarthy. “In the years following World War II, we made great progress in child well-being and reduced many of the disparities associated with the differences in income and wealth, and race and ethnicity. Our challenge now is to find the will to make sound investments that can improve the economic prospects for families today while preparing our children for the future.”

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*The Annie E. Casey Foundation is a private charitable organization, whose primary mission is to foster public policies, human-service reforms, and community supports that more effectively meet the needs of today’s vulnerable children and families. KIDS COUNT® is a registered trademark of the Casey Foundation. For more information, visit [www.aecf.org](http://www.aecf.org).*

The *KIDS COUNT Data Book* with state-by-state rankings and supplemental data launches at 12:01 a.m., August 17, 2011 at <http://datacenter.kidscount.org>. By visiting the Data Center, users can download the complete *Data Book*, access the latest child well-being data on hundreds of indicators. It serves as a comprehensive source of information for policymakers, advocates, members of the media, and others concerned with addressing the needs of children, families, and communities.