

Child Poverty in Oregon

Poverty Action Team Report to the State Commission
April 2011



“Children have only one childhood and it is right now. Millions of children in our nation require emergency attention in our recession ravaged economy as poverty, including extreme child poverty, hunger and homelessness have increased, if irreparable harm is not to be inflicted on them and on our nation’s future.”

– Marian Wright Edelman, Children’s Defense Fund

Oregon Commission on Children and Families
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INTRODUCTION

Background

This report has been prepared by the state office with support from the central Oregon non profit group, *The Partnership to End Poverty*, for the Oregon Commission on Children and Families at the request of the State Commission in response to increased community identification of and concern for addressing child and family poverty. As a result of the 2010 comprehensive planning biennial update process, 30 of 36 Local Commissions noted the increased impact of poverty upon the community, specifically children and families. Issues related to homelessness, hunger, unemployment, affordable housing, child care and transportation were identified as community issues, service gaps and barriers. Research shows that child poverty is linked with lower levels of child well-being and that long term childhood poverty is a strong predictor of adult poverty. As Oregon's only public entity charged with ensuring the well-being of children, youth and families across all public systems, the Commission is well-positioned to identify cross system barriers, strengths and opportunities to reduce the cost of child poverty—financially, socially and morally.

The State Commission appointed an action team to research and recommend policy and programmatic interventions that would increase our state's ability to more effectively reduce and mitigate the negative impact of child and family poverty. This report provides a context for understanding and addressing child poverty in Oregon.

Making the Case to Do Better

According to the Center for Law and Social Policy, in the last seven years 20 states have undertaken comprehensive reviews and developed recommendations to reduce poverty. Eleven of these states have established poverty reduction targets for 2020.¹ Five of the states specifically target child poverty. Oregon is not one of these states although the state did establish a poverty benchmark with three subcategories, one of which is child poverty. There is a need to establish a concrete reduction target for child and family poverty in order to align private and community-wide reduction efforts and to allow Oregon to determine real progress and know that its investments in childhood poverty reduction are working.

While Oregon is fortunate to have state departments and numerous organizations that promote policies intended to reduce or mitigate the impact of poverty, child poverty remained relatively unchanged from 1999 through 2007. Child poverty is now increasing nationally and locally at a significant rate as economic inequality continues to grow in the United States. Despite the challenges brought on by our current economic downturn, the cost of doing nothing is too high. According to an analysis done by *First Focus*, a national bipartisan child advocacy organization, the cost to the American economy of allowing an estimated additional 3 million children to fall into poverty will result in an overall economic loss of at least \$1.7 trillion over the lifetime of these children.² The costs to the United States associated with childhood poverty total about \$500 billion per year, or the equivalent of nearly four percent of GDP. Specifically, childhood

poverty each year reduces productivity and economic output by about 1.3 percent of GDP; raises the costs of crime by 1.3 percent of GDP; and raises health expenditures and reduces the value of health by 1.2 percent of GDP.³ Further analysis showed that even recession-induced child poverty does not go away as the economy recovers. A longitudinal study conducted after the 1990 recession found that 29 percent of children who fell into poverty during the recessionary years spent at least half of their childhood in poverty even after the recession ended.⁴ These same children were 13 times more likely to suffer from additional years of poverty after the economy recovered than children who did not fall victim to recession-induced poverty. What does this mean for Oregon where an estimated 164,000 children lived in poverty in 2009 with predicted increases in 2010?⁵ Considering the long term health and earnings affects of childhood poverty, it would be safe to estimate that the financial cost to Oregon will be in the billions. Beyond the dollar costs, the value we put on the social and moral costs of lost opportunity and lost lives is immeasurable.

Child and family poverty is a multidimensional challenge in which family income is just one element. Efforts to address livable wage employment and safety net income supplements are critical, but children also need additional support to mitigate poverty's negative impact upon their physical, social, emotional development and educational achievement. Jane Waldfogel, professor, researcher and author of the book, *Britain's War on Poverty*, credits England's success in reducing child poverty to the government's *three-pronged approach of promoting work, increasing financial support for families and investing in the health and development of children*.⁶ Oregon is positioned to see similar success if we can specifically target child poverty with investments in child services and education, including early childhood education, along with a full range of expanded basic supports for families.

EXECUTIVE SUMMARY

The Oregon Commission on Children and Families has been charged with the responsibility to monitor the well-being of Oregon's children and assist communities in finding and implementing solutions that ensure all children are healthy and successful. While Oregon's children have shown progress in some health, safety and education indicators, the continual increase in child poverty threatens to impede further success and the economic future of the state. While reducing poverty is a daunting task, the need to mitigate its impact upon children and to set and attain targets for poverty reduction is now. The intent of this report is to provide the State Commission with a context of facts, research and policy and program options to allow the Commission and other policymakers to review options available to address child and family poverty. None of these programs is original. All have their champions and advocates. This is a review of what is possible, and inclusion herein does not constitute a prioritization or preference for any program in place or in opposition to the significant work underway among agencies and nonprofit organizations of this state working to address individual facets of this complex issue.

Oregon Challenges to Addressing Child Poverty

Current recession-induced child poverty on top of a persistent child and family poverty rate has shown no sustainable improvement for 20 years.

The 1990 Census reported a 12.4 percent overall poverty rate and a 15.8 percent rate for children younger than 18 years of age. In comparison, the 2009 American Community Survey estimates an overall poverty rate of 14.3 percent and 19.2 percent for children.

Limited access to family wage jobs and job related economic income support services for low-income families.

Oregon's median family household income for 2009 is \$59,174, a drop of \$1,453 since 2008. Median earnings for Oregon workers in 2009 are \$25,449, a drop of \$1,826 since 2008. The Massachusetts Institute of Technology's *Poverty in America* project estimates Oregon's living wage at \$16.03 for a single parent with one child. That compares with the state's current minimum wage of \$8.50.

Disparity in educational achievement by poverty and race.

Oregon's 2008-2009 cohort high school graduation rate for economically disadvantaged students was 14 percentage points below that of higher income peers (58.2 percent compared to 72.2 percent). For African American students there is a 22 percentage point difference. Poor students lag behind their peers in reading achievement with a 7 percentage point difference in third grade increasing to a 13 percentage point difference in tenth grade.

State lacks a common agenda with shared responsibility and accountability for the reduction and mitigation of child poverty.

While Oregon has multiple initiatives and groups working to reduce poverty, there is no designated policy body in Oregon responsible for, empowered or funded to specifically address child poverty. Such an organization has the potential to encourage data-driven decision-making, coordinated strategic investment, assessment of success by *results* rather than *process* and

communicating a sense of urgency, compelling the broader community to take action on this important issue.

Inclusive decision-making.

The voice of those most impacted—low-income families—needs to be included in any anti-poverty policy and program discussions. In addition, continuing debate over self-reliance versus social obligation has hampered progress in addressing this issue. Any effort to address child poverty must ensure that a spectrum of opinion is invited to the table to identify best practices and to agree on common frameworks for targeting intervention and measuring results.

Recommended Actions and Next Steps

- **Advocate for common statewide goals and measurements for reducing child poverty and mitigating its impact upon children and youth along the age continuum.**
Establish Oregon’s benchmarks to include specific goals, targets, timetables, measurements and outcomes for reducing child poverty. Engage key stakeholders to identify an appropriate entity or structure to monitor results; expand community knowledge and engagement in reduction efforts and provide biennial progress reports to the Governor, Legislature and community.
- **Support educational success as the primary means of reducing child poverty.**
Utilize a cradle-to-career educational framework to link physical and personal supports to schools that will result in a “level education playing field” for low-income children. The redesign of Oregon’s education system to improve coordination and expand early childhood learning delivery systems is a step in this direction. So is continued support of academic rigor in Oregon schools and support for expanded access to post-secondary education and training options and higher rates of high school and college completion. In addition, Oregon’s current community schools can serve as the foundation for such a system of integrated comprehensive services and extended learning opportunities.
- **Support work as the primary means of reducing family poverty.**
Promote statewide efforts to develop livable wage employment opportunities and to promote family-friendly work environments, work related education and training targeted to low-income populations most at risk (single parents, incarcerated parents, parents in extreme poverty) and preserving income supports that help families meet basic needs while pursuing education and training.
- **Promote community dialogue, engagement and accountability in efforts to reduce child poverty.**
Provide education and advocacy about the linkage between child poverty and other social challenges and cost-drivers. Raise awareness of linkages between child poverty and increased costs of education, incarceration, unemployment, poor health, and child abuse and neglect. Encourage development by communities of efforts to measure child poverty and to engage in proactive strategies to stabilize children and parents living in poverty and provide ladders to economic improvement.

CHILD POVERTY IN OREGON

Data Profile

Oregon's 2009 annual poverty rate is equal to the national average, which is estimated at 14.3 percent. The state's child poverty rate is 19.2 percent for all children, and 18.7 percent for related children in families. Over the last decade, child poverty in Oregon has shown minimal sustainable improvement. While the current recession has pushed child poverty rates to higher levels, U.S. Census Bureau data shows that even in good economic times the proportion of Oregon children living in poverty remained relatively unchanged. Utilizing state unemployment rates, child poverty and SNAP (food stamp) participation rates, Brookings Institution researchers predict that 26 states, including Oregon, will have 2010 child poverty rates of 20 percent or higher.⁷

It is important to note that poverty rates measure individuals living at the Federal Poverty Level, which is set each year, taking into account the cost of living increase, but not transportation, childcare and local housing costs. Thousands of individuals and families whose income is above the poverty level are not counted as poor but still struggle daily to make ends meet. In Oregon it is estimated that 1,257,250 individuals are low income (200% of federal poverty level).

Quick Facts

Data Source: U.S. 2000 Census & 2009 American Community Survey

Percentage and Number of Oregonians in Poverty

Overall 2009 Poverty Rate: **14.3%** (534,594 individuals)

Overall Census 2000 Poverty Rate: **11.6%** (388,740 individuals)

White 2009 Poverty Rate: **13.1%** (421,885)

Black or African American 2009 Poverty Rate: **24.2%** (15,648)

American Indian and Alaska Native 2009 Poverty Rate: **25.8%** (12,146)

Asian 2009 Poverty Rate: **14.9%** (20,147 individuals)

Native Hawaiian and Other Pacific Islander 2009 Poverty Rate: **20.0%** (2,597 individuals)

Hispanic or Latino (of any race) 2009 Poverty Rate: **24.4%** (102,235 individuals)

Some Other Race 2009 Poverty Rate: **27.0%** (39,608 individuals)

Percentage and Number of Oregon Children in Poverty

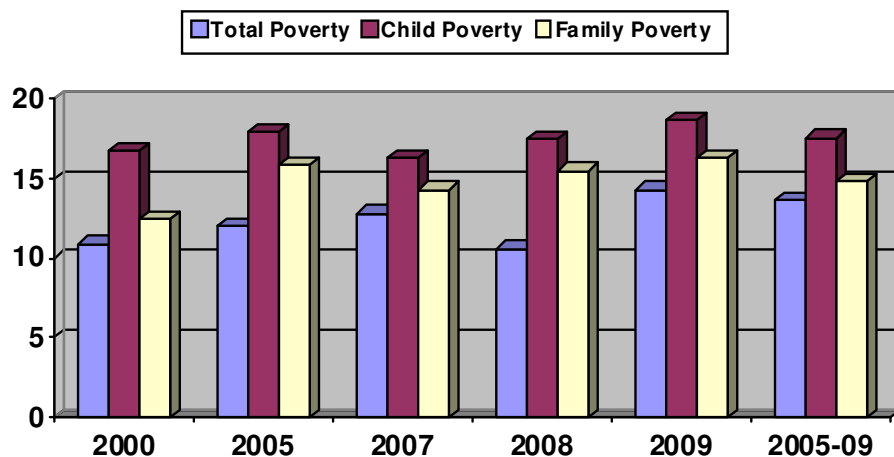
Children Under 18 2009 Poverty Rate: **19.2%** (164,326 children)

Children Under 18 Census 2000 Poverty Rate: **14.5%** (121,460) children)

Related Children 2009 Poverty Rate: **18.7%** (159,380 children)

Related Children Census 2000 Poverty Rate: **14%** (114,777 children)

Historical Oregon Poverty Rates



There is increasing agreement that the federal poverty level is an inadequate measurement of true poverty and severely underestimates the number of individuals and families who lack the financial resources to meet their basic needs. In 2010, the federal poverty guideline for a family of four was \$22,050, compared to an estimated Oregon basic family budget of approximately \$40,000-\$50,000. This gap illustrates the deficiencies in the poverty measurement instrument used in the United States. For purposes of this report, we will consider children whose families earn less than 200 percent of the federal poverty level—approximately the level of a basic family budget at which basic needs are met but the opportunity for savings is foreclosed—as being low-income. Using this more realistic approach, approximately 43 percent of Oregon’s children are low-income.

In order to fully understand what child poverty looks like in Oregon, it is necessary to have a deeper understanding of the demographics of families living in poverty. While married families with children under 18 years of age experience an estimated poverty rate of 7.7 percent, single female head of household families with children have a rate of 38.2 percent, or almost five times that of married families. The rate for single female households with children under the age of five is much higher at 46.4 percent, which has primarily remained unchanged from the 47.4 percent rate in 2000. While the majority of Oregon’s families in poverty are white, poverty rates for Hispanic, African American and American Indian families continue to be disproportionate and are almost three times higher than those for white families.

Quick Facts

Data Source: 2009 American Community Survey

Depth of Child Poverty

Children in Extreme (50% of FPL) Poverty: **8.1%**

Children at 125% of FPL: **25.5%**

Low Income (200% of FPL) Children: **43%**

Percentage of Oregon Families in Poverty

Families with Children Poverty Rate: **16.3%** (represents 46.2% of total family population)
Married Couple Families with Children: **7.7%** (represents 31.3% of total family population)
Single Female Headed Families with Children: **38.2%** (represents 11% of total family population)
White Families: **8.7%** (represents 88.6% of total family population)
Black or African American Families: **20.8%** (represents 1.5% of total family population)
American Indian/Alaska Native Families: **25.7%** (represents 1.2% of total family population)
Hispanic or Latino Families: **23.4%** (represents 8.4% of total family population)
Asian Families: **11.4%** (represents 3.3% of total family population)
Native Hawaiian/Other Pacific Islander Families: **14.7%** (represents .3% of total family population)
Some other race: **24.8%** (represents 3.1% of total family population)

Where families live in the state also matters, as the highest concentration of child poverty exists in rural counties. Rural Oregon experienced a 24.4 percent child poverty rate, an increase of 3.2 percent since 2007.⁸ In comparison, suburban areas of Oregon had a 16.2 percent child poverty rate and principal central city areas had a 20 percent rate. Despite the current disparity, it is worth noting that poverty rates have been increasing more rapidly in suburban than urban areas.⁹ Three rural counties (Josephine, Malheur and Wheeler) have over a third of their children living at or below the federal poverty level.¹⁰ Another indication of rural child poverty is the percentage of students utilizing free and reduced lunch. The highest rates are again in rural counties, with Jefferson County having almost 80 percent of its students at or below 185 percent of the federal poverty level.¹¹

POVERTY and YOUNG CHILDREN

Approximately 22 percent of Oregon's children under the age of six live in poor families.¹² The majority (55%) of these families have at least one parent who is employed either part-time or part-year.¹³ Only 18 percent have a parent who is employed full-time, year-round and 27 percent have no employed parent.¹⁴ Forty-seven percent of Oregon's young children are considered low income (200% FPL or \$40,100 for a family of four).

Quick Facts

Data Source: National Center for Children in Poverty Analysis of 2009 American Community Survey

Profile of Poor Young Children 0-5

parents have less than a high school degree: **50%**

live with a single parent: **62%**

Hispanic children in poor families: **32%**

live in rural areas in poor families: **25%**

Profile of Low Income Young Children 0-5

parents have less than a high school degree: **84%**

live with a single parent: **51%**

Hispanic children in low income families: **69%**

live in rural areas in low-income families: **57%**

Impact on Early Childhood Development

- The chronic stress of poverty can affect parenting skills, resulting in higher rates of maternal depression and marital/partner conflict that in turn is linked to poor social and emotional outcomes for children.^{15 16}
- Young children in poverty are at higher risk of malnutrition which can negatively impact physical and social development, including withdrawal, impaired motor skill function and delayed growth.¹⁷
- Young children in poverty are more likely to be exposed to multiple risk factors that impede brain development, including inadequate nutrition, substance abuse, maternal depression, exposure to environmental toxins, trauma and abuse, and lower quality of child care.¹⁸
- Women in poverty have higher incidences of low birth weight babies and potential short and long term associated health problems.¹⁹
- Children in poverty have less access to opportunities that promote literacy skills and school readiness.
- Children in poverty are more likely to move frequently, disrupting the development and maintenance of stable relationships within the extended family, classroom and community.

POVERTY AND SCHOOL AGE YOUTH

Approximately 18 percent of Oregon children age six and older live in poor families, while 40 percent live in low-income families. Over 50 percent, or 272,095 Oregon students, enrolled in public schools (regular, alternative, or charter) are eligible for free (125% FPL) or reduced (185% FPL) lunch.

Quick Facts

Data Source: Dept. of Education—Oregon Statewide Report Card 2008-09 and 2009-10
National Center for Children in Poverty—U.S. Census Bureau data for 2007, 2008, 2009

Profile of School Age Youth

% of adolescents (12-18) living in low-income families: **37%**
% of adolescents without health insurance coverage: **17%**
% of Hispanic students: **19.6%**
% of Asian/Pacific Islander students: **4.6%**
% of Black and African American students: **2.8%**
% of Native American students: **1.9%**
% of low income 3rd graders meeting reading standards: **76%**
% of low income 8th graders meeting reading standards: **58%**
% of low income 10th graders meeting reading standards: **58%**
cohort high school graduation rate of low income students: **58.2%**

Impact on School Age Youth

- Adolescents living with chronically stressed parents are more likely than other youth to have emotional and behavioral problems.²⁰
- Low income youth are more at risk of attending schools with fewer resources and lower expectations, frequently changing schools, lacking access to technology tools at home, and having cognitive impairments that result in lower academic achievement.^{21 22}
- Youth in poverty are more apt to live in substandard housing that can result in increased exposure to toxins and distracting conditions that negatively impact ability to study and maintain positive peer social interaction.²³
- Youth in poverty are more apt to live in unsafe, problem neighborhoods, which increases exposure to destructive activities and violence.
- Youth in poverty are more at risk to enter into homelessness and chaotic, often unsafe living conditions.
- Youth in poverty have limited opportunities for afterschool enrichment activities.
- Youth in poverty are at higher risk of experiencing social isolation and “not fitting in” because of inability to afford clothes, school activity expenses, transportation, recreational fees and similar opportunities to interact with peers.
- Youth in poverty have higher risk of teen pregnancy.
- Youth in poverty often experience financial pressure to be employed at the risk of lower academic achievement.

RECOMMENDED ACTIONS AND NEXT STEPS

Shared Goals and Accountability for Child Poverty Reduction

Recommended Action: Advocate for common statewide goals and measurements for reducing child poverty and mitigating its impact upon children and youth along the age continuum.

While Oregon has an overall poverty benchmark, there is no clear goal or measurement for determining the reduction of child poverty. Additionally, the data needed to determine the true extent of child poverty and its impact upon children across systems is not available in a way that allows for timely analysis and utilization in determining interventions. A direct and aggressive focus on children, use of data, processes and outcomes are needed to determine the success of our family poverty investments.

Child poverty is not constrained to a single system, but crosses over multiple systems and requires shared accountability for results. For example, 70 percent of children in child welfare out of home care come from families in extreme poverty. In order to be effective, our measurements must be inclusive of all points of intervention (i.e. housing, child welfare, cash assistance, juvenile justice, early childhood, etc.) and allow for the determination of impact upon children as well as parents.

Income-based targets are a good compass, but they need to be supplemented with risk reduction indicator targets, such as health, educational success, safety and family stability to provide a more complete picture of our success in reducing the likelihood of poor children becoming poor adults.

Educational Success

Recommended Action: Support educational success as the primary means of reducing child poverty.

Oregon needs to continue to move toward results-oriented interventions that are evidence-based in addressing both the causes and risks of child poverty. The most promising efforts have schools and education at their center. Head Start, Community Schools, University of Cincinnati's Strive model, Communities In Schools and the Harlem Children's Zone (HCZ) Project are examples of interventions that have provided children with the best hope of leaving poverty and achieving school success. All of these interventions share the evidence-based practice of integrating quality educational instruction with family and community supports for low-income students. Oregon currently has efforts patterned after these models being implemented throughout the state, creating the foundation for the development of a statewide child poverty intervention framework.

Family Work and Support

Recommended Action: Support work as the primary means of reducing family poverty.

For the majority of families with children, work is the means by which poverty is prevented or overcome. The welfare reform movement provided an opportunity to measure the success of moving families from welfare dependence to employment. The Coalition for Evidence-Based Policy identified five promising evidence-based interventions including one in Oregon, the Portland JOBS Program. These five interventions showed “sizable” increases in employment rates (93% - 28%) and job earnings (49% - 23%). Although there were variations in the programs, all required work and provided some level of basic education and support. Two of the programs (Minnesota and Canada) provided earnings supplements. The JOBS Program showed the most success, uniquely discouraging participants from taking lower wage jobs. However, in follow-up studies, the financial gains made in the first three to five years disappeared once the income supplements stopped or their job earnings were offset by reduced welfare benefits. The lesson learned is that without supplemental benefits to help with child care, housing, food, health care, transportation and/or other basic necessities, parents must be able to secure a livable wage job. To encourage work as a pathway out of poverty, there must be economic incentives for wage advancement that may require longer term, graduated benefits as parents move up the career ladder or pay scale.

Expanded outreach and increased access to tax credits, asset development and financial services are critical to supplementing the incomes of working poor families. The Commission system should support efforts to inform and educate families on how to obtain federal and state earned income tax, child care and dependent care tax credits, receive free tax preparation services and utilize asset development tools.

Community Owned Service System

Recommended Action: Promote community dialogue, engagement and accountability in efforts to reduce child poverty.

Community Education and Engagement

Provide education and advocacy about the linkage between child poverty and other social challenges and cost-drivers to broaden the engagement in and depth of community discussion to reduce child poverty. Raise awareness of the relationship between child poverty and the increased costs of education, incarceration, unemployment, poor health and child abuse and neglect. Encourage community development of efforts to measure child poverty and to engage in proactive strategies to stabilize children and parents living in poverty and provide ladders to economic development.

Leadership

While there are many public and private entities in Oregon working to address poverty, there is a need for a unified voice or strategy to build broad community momentum to address family and child poverty. Oregon needs to engage leadership from all sectors of the community, including

business, education, faith, government, foundations, nonprofits, media, people in poverty and communities of color to create collective action to address child poverty. Leadership must come from the local as well as state level. In a 2009 Northwest Area Foundation survey, 83 percent of Oregon respondents said local leaders have a responsibility to get churches, businesses, schools and other local groups to work together to assist those who are struggling with basic needs.²⁴ In this same survey more than half the respondents said their family had personally helped someone who was struggling and a significant majority indicated a willingness to do more. What is missing is a comprehensive, aligned set of policies and strategies that can be articulated statewide in a manner that clearly identifies the pathways in which all community members can act to address family and child poverty.

Access

The use of various eligibility guidelines within “service silos,” touch points in multiple systems where families are asked to meet different and sometimes conflicting requirements, and a disconnect between public and private services often leave families confused and overwhelmed. In a statewide Northwest Area Foundation survey, 41 percent of the respondents said they did not know where to go for assistance with basic needs and only 24 percent are very familiar with safety net government services. For those who do access the system, the process often involves multiple appointments with different workers and provision of duplicative information. Beyond being cumbersome, the process for accessing services can be costly in time, duplication and reduced long term effectiveness.

Supporting children and families in poverty is a holistic endeavor. Elements of need interact and cannot be compartmentalized from one another. These needs are both physical and personal, representing the uniqueness of each individual. To be effective, service systems must operate holistically as well and within the context of local communities. While well intentioned, the separation of efforts between public and private to address poverty has sometimes created a fragmented and confusing foundation upon which to reduce poverty.

Ways to continue to strengthen our service system include the use of central connection points as accessible, non-stigmatizing community locations—such as schools—for the delivery of poverty services. To standardize eligibility applications and requirements as much as possible will avoid duplication and reduce cost. There is tremendous opportunity to further automate both service access and delivery, particularly in isolated rural areas of the state.

EFFECTIVE AND PROMISING POLICY AND PROGRAM INITIATIVES

OREGON

Oregon has several policies and programs in place that help prevent and mitigate the impact of poverty on families and children. Despite the success of these efforts, there is opportunity to expand their effectiveness.

Indexed Minimum Wage

Although Oregon has the second highest minimum wage in the country (behind Washington), and is among ten states which indexes the minimum wage to inflation, an individual earning \$8.50 per hour and working full-time, year around, does not earn enough to cover the basic needs of a single parent and child without additional public supports (e.g. housing, child care, utilities, transportation, food). The impact of any wage increase, however, must be balanced against the potential for reduced economic competitiveness, thus the critical need for income supports.

Refundable Earned Income Tax Credit (EITC)

Oregon is one of 23 states and the District of Columbia that provides a state-level Earned Income Tax Credit. The credit is refundable but among the lowest percentages (6% of the federal EITC) of those providing a state credit. The Earned Income Tax Credit is one of the most effective strategies for moving families out of poverty and providing incentive to work. Unfortunately, too many families still do not take advantage of the credit or do not have access to affordable tax preparation services. It is estimated that 25 percent of Oregon families eligible for the benefit do not file and receive their benefits. Oregon needs increased and coordinated outreach to educate low-income workers about EITC and linkage to free or affordable tax preparation services.

Child Support Enforcement

Oregon's collection rate of sixty cents for every dollar owed to children results in uncollected support payments totaling over a billion dollars. There is a substantial body of evidence that says enhanced child support collections reduce dependence on public assistance and make it possible for many families to avoid public assistance in the first place. Oregon's child support division is recognized as one of the most efficient of its peer agencies in the nation, but the Oregon Attorney General, who oversees the program, has suggested it can be even more efficient.

State Supported Individual Development Account (IDA)

Oregon has one of the country's strongest state-supported Individual Development Account (IDA) programs, which assists low-income families and youth to increase their financial literacy skills and accumulate savings for education, housing and other asset goals. Despite the fact that families access an average of \$3 for every dollar saved toward education, home or business ownership— and even transportation—by participating in an IDA, this program has been utilized in Oregon by less than 3,400 individuals. IDA has great potential to encourage low-income citizens to invest in themselves and accumulate assets that can prevent and help overcome poverty.

State Supported Affordable Housing

Both Oregon and the federal government in Oregon have made considerable investment in recent decades in financing affordable housing construction. These investments have helped mitigate the challenges faced by low-income families in making family budgets stretch. Additionally, investments in affordable housing also benefit the state by encouraging neighborhood revitalization, creating jobs associated with construction, increasing energy efficiency (by constructing energy efficient units and reducing fuel consumption by prioritizing units close to employment centers). In 2009-11, the Oregon Department of Housing and Community Services calculated that a statewide investment of approximately \$115 million was offset by the same amount in retained federal investment in the state, and leveraged nearly \$1 billion in economic return. State-sponsored affordable housing construction, preservation and weatherization also were tied to creation of 3,947 jobs (according to the February 2010 report to Oregon House Committee on Business and Labor). Continuing to support affordable housing, including the document recording fee which underpins the financing of this program, will help fill the gap for the nearly 66 percent of low-income families currently considered “rent burdened.”

Increased Outreach and Participation in Federal Food Programs

Oregon continues to struggle with high rates of hunger insecurity despite having one of the highest SNAP (food stamp) participation rates in the country. While participation rates in other USDA food programs such as FRL (free and reduced lunch), school breakfast, snack, supper and summer food are increasing, there remains a significant gap between those who are eligible and those who are participating.

Other State Policy and Program Considerations

Enhance Oregon’s current efforts to mitigate the negative impact of poverty upon **young children** by providing:

- high quality, center-based, early education by fully implementing Oregon’s Early Head Start and Head Start programs;
- access to full-day kindergarten that is available, affordable and consistent across all school districts;
- access to basic medical care for pregnant women and children through continued outreach to all low-income families including children of legal immigrants;
- early and intensive support by skilled home visitors through expansion of current home visiting programs to all families in need;
- stable and affordable family housing to reduce the number of homeless families with children;
- continuity in transition from early childhood programs to kindergarten through consistent policies and practices regarding sharing of information, determining school readiness and parental involvement across all school districts and;
- child care subsidies for low-income families (200% at or below FPL).

Enhance Oregon’s current efforts to mitigate the negative impact of poverty upon **school age children** by providing:

- basic medical, mental health and dental care through expanded School-based Health Center sites and services;

- extended learning opportunities and support services through adequate funding of a statewide network of community schools;
- increased and expanded tuition assistance to qualified low-income and foster care youth and;
- financial literacy, career and technical education as part of required school curricula.

NATIONAL

Twenty state governments have undertaken initiatives to address poverty and develop policy recommendations with ten states receiving National Governors Association grants for poverty summits. Emerging urban poverty reduction strategies are surfacing through The National League of Cities' *Combating Poverty* and The U.S. Conference of Mayors' Poverty, Opportunity and Work Task Force, who are developing recommendations for a national plan to eliminate poverty. National nonprofit campaigns are also underway, including Catholic Charities' *Cut Poverty in Half; Make the Nation Whole*, the National Community Action Partnership's *Rooting Out Poverty*, and the "Half in Ten" partnership that includes the Coalition on Human Needs and the Leadership Conference on Civil Rights. *Spotlight on Poverty and Opportunity: The Source for News, Ideas, and Action* is another initiative providing a forum and information for debating and developing new poverty reduction ideas. These efforts have identified policy recommendations that warrant consideration for addressing child poverty in Oregon:

- 1. Service Alignment**—Align workforce development, housing, human service and education investments through collaborative planning, implementation and data sharing.
- 2. Early Childhood Education**—Provide tuition subsidies for low-income three and four year olds to attend high quality education programs.
- 3. Work Incentives**—Identify "cliffs" facing working families and adjust programs to create a "step-down" benefit that would eliminate economic disincentives for wage advancement; provide incentives to employers to hire hard-to-employ populations, such as youth and formerly incarcerated parents and juveniles.
- 4. Expanded/Enhanced Local Capacity**—Pilot the *Circles Campaign* in Oregon* (see below); support development of local endowment programs to provide incentive for people to leave a legacy to their home communities.

*Maintaining work as the primary pathway out of poverty requires both community structural (jobs, transportation, affordable housing, etc.) and personal supports. A promising initiative that is taking this two-fold approach is the Move the Mountain Leadership Center's *Circles Campaign*. This intervention is designed to both help individual families overcome poverty and make changes in the community that reduce barriers to economic stability. Circle Initiatives consists of low-income families who set their own goals based on their unique needs for overcoming poverty and are matched with middle and/or upper income community members who befriend and provide support. A larger group of community members provide resource development, connections to workforce opportunities education and mobilize the community around eliminating barriers that prevent families from becoming economically stable. Preliminary results from the *Circles Campaign* (33 participants in 3 states) showed an 88 percent increase in earned income (change in median income from \$637/month to \$1200/month); 30 percent decreased use of welfare benefits (average benefit drop from \$436/month to \$306/month); 56 percent increase in assets (average increase from \$604 to \$941) and; 125 percent increase in number of "people in my life I can count on."

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