



Child and Family Poverty in New England

Fall 2008

For much of its history, New England has been synonymous with innovation and industry. From the American Revolution to the Industrial Revolution and on to the more recent technological revolution, New Englanders have played an important role in creating economic growth and opportunity.

New England's economy has strengths and weaknesses that affect children and families. In 2007, approximately 50,000 jobs were created in the region, an important turn around given the slow job growth experienced by the six states since 2001. The region's per capita income also remains above the national average.¹

Following decades of manufacturing decline, out-migration fueled by high housing and energy costs, and mixed economic activity, New England faces a new set of challenges. These challenges and potential opportunities, as indicated by data, are outlined in this brief.



While child and family poverty in New England are relatively low compared to other parts of the country and overall income is high, there are still challenges for many New England families. Those earning below 200 percent of the Federal Poverty Level (FPL) (or \$41,300 annually in 2007) have significant difficulty making ends meet. State percentages of children in families earning less than 200 percent of poverty in 2007 were: New Hampshire (23%), Connecticut (25%), Massachusetts (26%), Vermont (32%), Rhode Island (34%), and Maine (38%).²

New England states and their residents face other common challenges:

- Declining manufacturing bases and an increasing number of low-paying service sector jobs with few benefits;
- Increasing racial, economic, and geographic disparities;
- Failing educational systems in poor cities;
- Rising cost of living, especially for housing-related expenses; and
- Changing demographics—aging populations, increasing immigration, growing numbers of residents with limited educational experience.

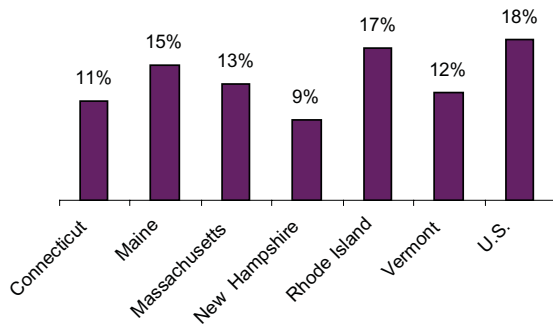
New England's Promise

Despite differences between the rural north and urban south, all New England states have the opportunity to overcome their challenges. New England's long-term economic health can be improved by addressing an array of issues that traditionally have not been directly associated with the economy. Affordable housing, new job opportunities, and an injection of capital and innovation into our urban centers would restore local economies and keep educated young adults at home in New England. Increasing access to financial aid would help low-income working parents complete certificate programs or gain college degrees and improve their earning power. More affordable health insurance would prevent the financial disaster of chronic illness for many uninsured working families.

Lower rates of poverty compared to other regions of the country mean that solutions in policies, programs, and investments would be comparatively easy to implement. The cost of investing in targeted adult education and training programs, affordable housing, and other asset-building enterprises would be far less than in other parts of the country. A shift in emphasis from poverty reduction to prosperity building could restore New England's history of invention, one related to the well-being of children and families as well as the economy.

New England Indicators of Child and Family Poverty

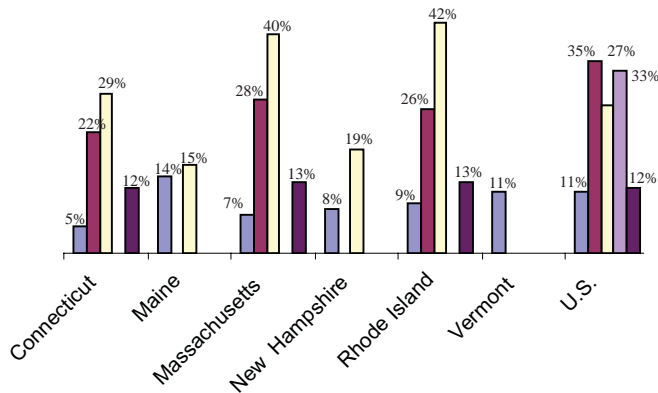
Children in Families with Income <100% of Poverty - 2007



Lower Rates of Children Living in Poverty

New England states are home to a lower share of children living in poor families than in the U.S. overall. Rhode Island and Maine have higher rates of poverty than the four other New England states. Given New England's high income (four of the six New England states were among the top ten in the country for median family income, according to the 2007 American Community Survey), states have the capacity to invest in their most vulnerable families.³

Children in Families with Income <100% FPL by Race



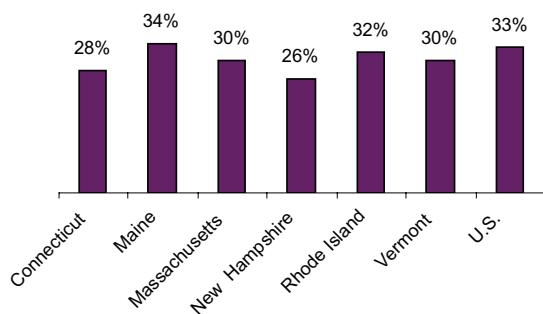
More Children of Color Live in Poverty

Children of color are far more likely to live in poverty than White children in New England and nationally.⁴ The percentage of Hispanic children living in poverty in Connecticut, Massachusetts, and Rhode Island exceeds that of the U.S.

■ White ■ Black* ■ Hispanic* ■ Native American* ■ Asian*

*In some cases the percentage of Asian, Black, Hispanic and Native American children living in the New England states is too small to report.

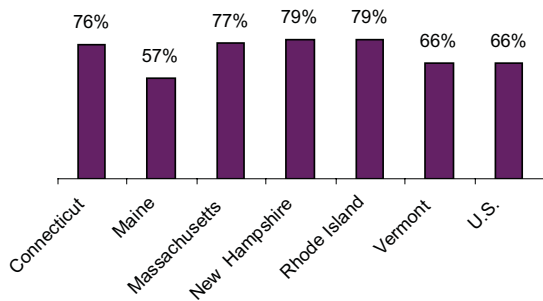
Children in Families with No Full-Time, Year-Round Employment - 2006



One-Third of Children Live in Families with No Full-Time, Year-Round Employment

Employment, especially full-time and year-round, is critical to economic success. New England's large service sector often hires part-time workers. In 2006, across New England, almost one-third of all children lived in households where no adult was employed full-time, year-round. Not surprisingly, child poverty rates are lowest in those states with the lowest rates of children in families with no full-time, year-round employment.

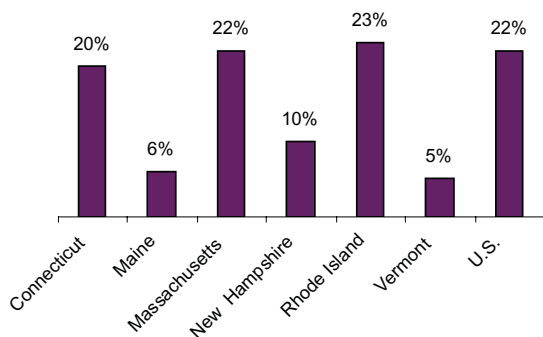
Children in Families Paying >30% of Income on Housing - 2006



New England's High Housing Costs

New England's cost of living is high compared to other parts of the country and housing is often a family's largest expense. On average, over 70 percent of New England children live in families where costs associated with housing (rent, mortgage, heating, etc.) take up a disproportionate amount of family income. Only Maine has a lower percentage than the U.S. average of children in families that spend over 30 percent of their income on housing.

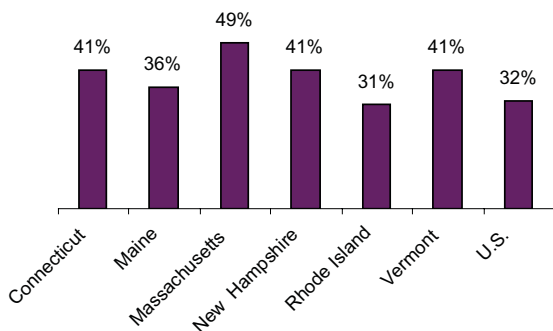
Children in Immigrant Families - 2007



Children of Immigrant Families—At Higher Risk of Poverty

Immigrant children and those born of immigrant parents are more likely to live in poverty than children of U.S.-born parents.⁵ This figure reflects the stark differences between the northern and southern New England states, with fewer immigrant children residing in Maine, New Hampshire and Vermont than in Connecticut, Massachusetts, and Rhode Island. Immigrants make up slightly more than 10 percent of U.S. residents but 20 percent of low-wage workers.⁶

4th Graders at/above Reading Proficiency - 2007



Fourth Grade Reading Scores – A Higher Share of New England Students Attaining Proficiency

The percent of New England fourth-grade students meeting reading proficiency goals is as great as or greater than the national average. However, this figure masks the level of academic disparities that might exist by race/ethnicity, geography, and income. For example, in 2006 only 27 percent of poor elementary students in Connecticut met their mastery test goals compared to 72 percent of non-poor students.⁷

Source: All data included in figures were obtained from the Kids Count Data Center found on the Annie E. Casey Foundation website (www.aecf.org).

Next Steps Toward Prosperity for New England Families

To reduce child and family poverty in New England and meet the challenges that the six states face, prosperity for all must go hand in hand with economic growth. A prosperity agenda for New England's children and families should include efforts to:

- Improve the success rate of each state's K-12 education system, especially in our cities.
- Increase the number of jobs that pay family supporting wages. This requires expanding education and training opportunities that develop the workforce.
- Support young children and their working parents by investing in high-quality child care and early childhood education programs.
- Invest in our urban areas to create vibrant and dynamic core cities. Such efforts would begin to minimize the gap between rich and poor, lower crime, and economically rejuvenate the region.
- Develop more affordable housing. This enables low- and middle-income families to invest in home purchases or obtain rental apartments at less prohibitive prices and creates new construction jobs.
- Expand asset-building programs (such as homeownership, Individual Development Accounts, and college and retirement savings) that help parents invest in their families' future.
- Work with financial institutions to connect families with savings and wealth strategies and opportunities.
- Increase access to public benefits, particularly energy assistance, for low- and middle-income families.

Philanthropies supporting a prosperity agenda can:

- Learn more about local providers that follow a "Family Economic Success" (FES) model to address poverty.
- Contact CFED (www.CFED.org) for up-to-date information on Individual Development Account (IDA) programs and then meet with an IDA program to learn more.
- Connect with local and statewide asset-building networks. Search the National Community Tax Coalition's map (www.tax-coalition.org/programs.cfm) or call your state Department of Social Services to find out who is providing free tax preparation in your area and then meet with them to learn more.
- Talk to funders working in this field: Ask them how they got into it, what they are funding, and what they have learned. Go along with them on a site visit. See if there is an opportunity to partner with them on a grant.
- Understand and support nonprofit research and advocacy efforts.
- Participate in the evolving national, state, and local poverty reduction discussions.

Endnotes

- 1 Clifford, R., DeCoff, T., Gupta, C.N., and Papoulias, E. (2008). An Overview of New England's Economic Performance in 2007. *New England Economic Indicators*. September, 2008. Boston, MA: New England Public Policy Center, Federal Reserve Bank of Boston. Retrieved September 29, 2008 from <http://www.bos.frb.org/economic/neeil/neeil.htm>
- 2 KIDS COUNT Data Center. Profiles by Geographic Area. Baltimore, MD: The Annie E. Casey Foundation. Retrieved September 16, 2008 from <http://www.kidcount.org/datacenter/>
- 3 U.S. Census Bureau. *2007 American Community Survey*. Table R1902. Median Family Income.
- 4 The Annie E. Casey Foundation. (2007). "Unequal Opportunities for Health and Wellness." *Race Matters Tool Kit*. Baltimore, MD.
- 5 Fass, S. & Cauthen, N.K. (2007). *Who Are America's Poor Children? The Official Story*. Fact Sheet. NY, NY: National Center for Children in Poverty, Columbia University. Retrieved September 16, 2008 from http://www.nccp.org/publications/pdf/text_787.pdf
- 6 Capps, R., Fix, M.E., Passel, J.S., Ost, J. & Perez-Lopez, D. (2003). *A Profile of the Low-Wage Immigrant Workforce*. Policy Briefs/Immigrant Families and Workers. Washington, DC: Urban Institute.
- 7 Johnston, A. & Porter Magee, M. (2006). *The State of Connecticut Public Education: A 2006 Report Card for Elementary and Middle Schools*. New Haven, CT: Connecticut Coalition for Achievement Now.