Kids Five Years after the Recession: Smart Policies, Better Lives

PRNewswire — The bipartisan children's advocacy organization First Focus and PolicyLab at The Children's Hospital of Philadelphia released a new analysis today showing that, five years after its technical end, the recession of the mid-2000s continues to impact America's children. *The Effect of the Great Recession on Child Well-Being* examines four aspects of children's lives: health, hunger, housing, and abuse and neglect, updating research conducted in 2010. It finds lingering effects in every aspect, but it underscores the effectiveness of federal investments in mitigating harm to children.

"Economists say the recession is over, but five years later, it's still impacting millions of children," said First Focus president Bruce Lesley. "Where national leaders made smart policy choices, kids fared better – where they didn't, kids are still struggling."

"Our research shows that investing in social safety net programs when times are good can have payoffs for 'rainy days,'" said PolicyLab Co-Director Dr. David Rubin. "We also know that millions of children are still struggling, and so we risk stalling or even reversing recovery by making budget and program cuts too soon."

The analysis finds health to be a bright spot for children, while observing that future policy choices could put progress at risk. It assesses changes to federal children's health policy since 2010 and examines their effects on children's health. Key findings include:

- The Children's Health Insurance Program (CHIP), backed by stimulus funds allocated to bolster state Medicaid programs, largely protected children from losing their health care during the recession;
- The number of uninsured children dropped by 600,000 during the recession's first two years, while more than 6.3 million adults became uninsured during the same period;
- The uninsured rate among children dropped to 7.3 percent in 2013, its lowest point in decades;
- The Affordable Care Act (ACA) has reduced uninsurance among adults but has had little effect on children;
- Congressional failure to maintain federal CHIP funding would, as the report observes "mean the child health safety net available through CHIP … could no longer be counted on;"
- High out-of-pocket costs have proven a barrier to care, even when children are insured; and
- Families with CHIP coverage face substantially lower out-of-pocket costs than comparable families with ACA "exchange" marketplace coverage

"CHIP's track record is clear – while the recession cost millions of parents their health care, uninsurance among kids is at record lows," said Lesley. "But the analysis also shows the risk to kids if Congress delays or fails to extend CHIP funding."

"While preserving CHIP is an essential priority, there are also several Affordable Care Act (ACA) provisions in need of federal attention, including uneven state pediatric benefit standards, gaps in subsidies for purchasing marketplace plans and the magnitude of deductibles and other out of pocket expenses for children's health care for low-income families in marketplace plans," said PolicyLab Co-Director Kathleen Noonan.

The analysis also examines hunger, again finding that federal investments have blunted the recession's effects, but concluding that they did not reach many children affected by increased food insecurity. Key findings include:

- Research has documented gains for children's health and nutrition from federal initiatives like the Supplemental Nutrition Assistance Program (SNAP) and the National School Lunch Program;
- In July 2014, one-third of children in America received nutrition assistance through SNAP;
- Despite participation increases, the share of children living in homes affected by hunger ("food insecure" homes) increased during the recession and remains high, rising from just under 17 percent in 2007 to 21.4 percent in 2013;
- Administrative barriers to the enrollment of eligible children and families have expanded in states since 2012;
- By February 2014, 47 states had reported lower SNAP participation rates than in 2013; and
- Billions in SNAP cuts passed by Congress in recent years must be offset by increased future investments if we are to continue progress on child hunger and nutrition

"Federal nutrition initiatives are a shield against childhood hunger – during the recession, they grew to protect more kids, and now that the economy's improving, they're contracting again," said Lesley. "But with childhood hunger still a growing concern, Congress should be looking for ways to tear down the barriers that keep hungry kids from the food they need."

The report found that children face real housing stability threats in the recession's wake, owing largely to federal failures to effectively mitigate the recession's housing crisis for families with children. Specific findings include:

- Nearly four in ten children (38 percent) live in families where housing costs consume at least half of monthly income – a substantially greater share than homeowners overall (one-tenth) or renters overall (one-fourth);
- The recession's foreclosure crisis cost 2.3 million children their single-family homes;
- Federal policies have largely failed to blunt the housing crisis' impact on children;
- Federal rental assistance vouchers reach just one-fourth of eligible Americans;
- Homelessness among children reached a record high of 1.3 million, according U.S. Education Department data for the 2012-2013 school year;
- Homeless children face learning disabilities at double the rate of children with stable homes, emotional or behavioral problems at triple the rate, and severe health problems at triple the rate; and
- Six million additional children are at risk of foreclosure in an economy where the supply of affordable housing has declined and the demand has increased

The analysis also considered child abuse and neglect, revealing a disconnect between official national data sources and the reports of hospital physicians typically required to report abuse or neglect. Key findings include:

- Federal data collection systems suggest that overall child maltreatment rates declined during and after the recession, while;
- Hospital-sourced data indicates "an increased incidence of the most serious types of child maltreatment;"
- Federal investments in child abuse prevention and response was relatively flat during the recession;
- Temporary Assistance for Needy Families, the second-largest source of federal funding for child abuse and neglect prevention and response, reached just 27 percent of eligible families in 2010;
- 27 states increased investments in abuse and neglect prevention and response, while 22 made cuts;
- Neglect, broadly defined as a parent's inability to meet his or her child's basic needs, increased as a share of total child maltreatment from below 60 percent of cases in 2007 to nearly 80 percent in 2012

The analysis should draw policymakers' attention to the inconsistency between federal data sources and the experiences of health care professionals on the ground. In a letter sent today to key congressional committee leadership, First Focus urged lawmakers to take a close look at how the federal government collects child

abuse and neglect data, in light of the conflicting picture painted by hospital data.

"Solving problems for kids begins with understanding the problems kids face, so it's critical that federal agencies are collecting complete and accurate data," said Lesley.

PolicyLab authored two other recent publications for First Focus, both examining the connections between the economic downturn and children's lives. In addition to the 2010 report mentioned above, PolicyLab also produced a 2012 analysis showing the connection between mortgage delinquency and child abuse.

"If you look across the different aspects of a child's life, this report makes one thing clear: whether it's health, hunger, housing or abuse and neglect, there are more kids in harm's way today than before the recession," said Lesley. "The question for Congress is this: what are you going to do about it?"

First Focus is a bipartisan advocacy organization dedicated to making children and families the priority in federal policy and budget decisions. For more information, visit firstfocus.org.

The mission of PolicyLab at The Children's Hospital of Philadelphia (CHOP) is to achieve optimal child health and well-being by informing program and policy changes through interdisciplinary research. Their care for children and families drives their research, informing practice and policy to improve child health. For more information, visit policylab.chop.edu.

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