

BUILDING THE FOUNDATION FOR INFANTS, TODDLERS, AND FAMILIES

We all know that one of the basic principles of constructing a strong house is building a solid foundation. With babies, building the architecture of the brain works in much the same way: the foundation created in the early years must be strong in order for the child to thrive over time. It is human nature for parents to want to provide a stable environment for their children, but as the costs of basic necessities—such as food, housing, and energy—continue to rise, low-income workers are struggling more and more to support their families and remain out of poverty. As their budgets are squeezed, some parents are forced to make difficult and dangerous choices between the very needs that are essential for their baby's health and well-being, such as whether to buy food or pay to heat their home during the cold months.

The Great Recession, which ran officially from late 2007 to mid-2009, brought these struggles to the fore. Although the American Recovery and Reinvestment Act of 2009 (ARRA) temporarily helped to mitigate the impact, the situation is still dire for millions of families. Infants and toddlers are disproportionately affected by the high rates of child poverty in the United States,¹ and such economic hardship can compromise their healthy development and hinder their ability to succeed in school and in life.² To ensure their babies have a healthy start in life, families must be able to provide nurturing relationships, a safe home environment, nutritious food, and high-quality child and health care.³ This is a time when policymakers should increase their focus on very young children and understand the importance of programs that ensure their material needs are met. Yet, in 2011, federal spending on children—including programs that supply basic needs—dropped by \$2 billion. This marked the first decline in almost 30 years, and spending is expected to decline more in the coming years as funds from ARRA are used up and budget reduction measures take effect.⁴



This is not the time for policymakers to lessen their focus on children, and yet, in 2011, federal spending on children dropped by \$2 billion. This marked the first decline in almost 30 years.⁵

This issue brief focuses on the policies and programs that provide the essential stability that families with young children need to support their child's development. Policymakers can help families build the foundation that meets their young child's basic needs by increasing food, housing, and energy assistance; implementing welfare-to-work policies that consider the needs of young children; and targeting tax credits for low-income working families.

FAST FACTS

- **Of infants and toddlers under age 3, 48% live in low-income families, and 25% live in poor families.⁶**

- **Child poverty costs the United States an estimated \$500 billion a year, due to increased expenditures on health care and the criminal justice system and lost productivity in the labor force later in life.⁷**

- **Families with young children are especially vulnerable to food insecurity: families with children under the age of 6 are at a higher risk of experiencing food insecurity (having limited or uncertain availability of nutritious and safe foods) than those with older children.⁸**

- **Children living in low-income families that do not receive a housing subsidy are more likely to suffer from malnutrition and underdevelopment than children in low-income families that do receive a subsidy.⁹**



Policy Recommendations

1. Increase investment in child nutrition programs that reduce food insecurity for young children and ensure that benefits are adequate for a healthy diet.

Infants and toddlers living in low-income, food-insecure households are 76% more likely than those living in low-income, food-secure households to be at developmental risk.¹⁰ By helping to meet the dietary needs of infants and toddlers, child nutrition programs allow families to pay for other basic necessities that are integral to their child's healthy development, such as child care, health care, and the heating or cooling of their homes. Federal child nutrition programs such as the Supplemental Nutrition Assistance Program (SNAP), the Child and Adult Care Food Program (CACFP), and the Supplemental Nutrition Program for Women, Infants, and Children (WIC) provide food and support to low-income families to ensure that young children have the nutritious diet they need for healthy development.

The importance of SNAP has become strikingly clear during and after the Great Recession: from 2007 to 2011, average monthly enrollment grew by 70%. This program is especially important for children, with 92% of eligible children participating in 2009.¹¹ While ARRA raised SNAP benefits in 2009 by a minimum of 13.6%, the average participant still receives only \$134 per month. This leaves an average gap of 29% between the average SNAP benefit for a family of four and the amount required to purchase what is outlined in the U.S. Department of Agriculture's Thrifty Food Plan.^{12, 13} It is vital that the ARRA increase in benefit levels remains part of SNAP, which is reauthorized every 5 years under the Farm Bill.

2. Provide adequate housing and energy assistance to low-income families.

Low-income families with children experience many housing-related hardships, including housing that is too expensive or is substandard, and increasingly, "doubling up" with other families. The most common problem currently is rent burden, which is defined as spending more than 30% of household income on rent and is experienced by almost 80% of low-income households with children.¹⁴ These families are left with too little money to provide for basic needs, such as heat and food. Additionally, they may be forced to move often, disrupting close relationships and creating instability for the children. The Census Bureau reports that the number of children living in "doubled up" or shared housing has increased due to the recession, up 17.5% between 2007 and 2010.¹⁵ Young children with insecure or unstable housing have been found to be in poorer health and at greater risk for developmental delays than children who are stably housed.¹⁶

Stuck Between a Rock and a Hard Place

Maria and Joe are stuck between a rock and a hard place. They live in El Paso, Texas, with their young children, Tanya, 3 years, and Shawn, 18 months, and they work hard to provide for their children and achieve the American dream.¹⁷ Maria and Joe both have full-time jobs earning minimum wage (\$7.25/hour in Texas) and an annual combined income of approximately \$30,200, which is not nearly enough to pay for the current costs of housing, food, health, transportation, and child care in El Paso.¹⁸ To meet these basic needs, they must make a combined income of approximately \$42,000, which equates to \$10 per hour each.¹⁹ Unfortunately, Maria and Joe's story is all too common. A typical American family today needs to make an income of approximately double the federal poverty level just to get by.²⁰ Even when they work full-time, the American dream is beyond the reach of too many families.



Three programs are specifically targeted to assist families with rent burden and housing instability: public housing; housing voucher programs (Section 8), which are run by local public housing agencies; and privately owned subsidized housing. Policymakers should continue funding for housing assistance programs at levels that ensure all eligible families are served. Along with improved housing subsidies, increasing investment in energy assistance programs like the Low-Income Heating and Energy Assistance Program (LIHEAP) will help to prevent housing and energy challenges for low-income families and reduce the need to make trade-offs that compromise the health and development of their young children. Policymakers should ensure that the “Heat and Eat” policy continues, which allows states to coordinate and streamline benefits between LIHEAP and SNAP.

3. Implement welfare-to-work policies that support the developmental needs of infants and toddlers. As they shape welfare-to-work policies, federal and state policymakers should consider the unique developmental needs of infants and toddlers and ensure that family-friendly policies are put in place. Excessive mandatory work requirements for low-income parents who receive benefits as part of the Temporary Assistance for Needy Families (TANF) program make it virtually impossible for them to dedicate time to their children; states should take advantage of the program option to exempt parents with infants from work requirements. In addition, states should be encouraged to directly fund the connection of families with infants and toddlers to dual-generation programs, such as Early Head Start, that will support the child's development as well as address some of the parents' needs to be ready for the workplace.

TANF reaches only 27 out of every 100 poor families, compared with 68 in 1996 under the old Aid to Families with Dependent Children program.²¹ Researchers estimate that 20 to 25% of low-income single mothers are completely disconnected from both welfare and work, a number that has increased significantly since welfare reform was enacted in 1996. A full 82% of disconnected low-income single mothers live in poverty, and they are significantly more likely than low-income single mothers in general to have a child under age 5 and a child under age 1. Very little is known about the impact that living with a disconnected mother has on children's well-being, but this is clearly an area for future research and policy focus.²² States should do all they can to improve the situation for families with young children, given the control that states have over benefit levels, work requirements, and time limits.²³

4. Support and expand tax policies for low-income families, including the Earned Income Tax Credit, the Child Tax Credit, and the Child and Dependent Care Credit. Federal and state tax credits for low-income families provide income support to help workers close the gap between their earnings and what they need for their families' basic needs. Federal policymakers should expand and improve upon tax credits, such as the Earned Income Tax Credit (EITC), that provide critical income supplements for low-income workers, especially those with children. Research showing that poverty is most damaging when experienced by very young children indicates that more generous credits should be provided to families with young children.²⁴ ARRA lifted an estimated 500,000 people out of poverty by expanding the EITC in two ways: adding a third tier for families with three or more children and expanding the marriage penalty relief.²⁵ While the EITC is fully refundable and can benefit workers with little or no federal tax liability, other tax credits that could provide critical support for very low-income families with young children are not fully refundable. Making the Child Tax Credit and the Child and Dependent Care Credit refundable would provide low-income families with additional income and allow more money for child care expenses.^{26, 27, 28}

To supplement the federal tax structure, states are now building upon federal tax credits for low-income families: 13 states have made their state child care tax credits fully or partially refundable,²⁹ and 25 states (including the District of Columbia) have enacted an EITC.³⁰ State policymakers should continue to build upon federal tax credits to further ease the financial burden of low-income families.



5. Coordinate benefit programs and tax credits to ensure that working families receive the continuum of support needed to keep them out of poverty. Public assistance programs are often means-tested in order to ensure that the families with the most need can receive benefits. However, the effect is that an incremental increase in earnings can push a family above the income eligibility requirement, resulting in the termination of benefits. Additionally, current TANF rules limit the amount of time an individual is eligible to receive public assistance, as well as the number of months one can spend in activities to improve earning potential, such as acquiring education, learning English, or receiving mental health and substance abuse services.³¹ Consequently, many benefit recipients who move from welfare to work or enjoy small increases in earnings can lose benefits before they can afford to pay for their own necessities. These benefit losses are often coupled with increases in income taxes and can effectively leave a family worse off despite their increase in earnings.³² While some benefit programs, such as SNAP and some child care subsidies, do phase out benefits as families become increasingly economically secure, policymakers should ensure that more public assistance programs gradually decrease benefits, as well as extend some benefits and tax credits into a higher income range. This would reduce a family's marginal tax rate and provide relief as a family works to become financially independent.

6. Eliminate administrative barriers to participation in benefit programs for low-income families. Research shows that infants and toddlers living in low-income families are at increased risk for vulnerabilities that challenge their healthy development.³³ Federal benefit programs, such as TANF and SNAP, can help low-income families buffer these risks and meet the needs of their young children. Yet due to the time, travel, and cost associated with the application and participation processes, many children and families are prevented from receiving these critical services.

The underutilization of services means that families are not accessing much-needed supports, especially families who are already disconnected from the system.³⁴ Federal and state policymakers should eliminate administrative barriers for families in order to streamline access and participation (e.g. instituting a standardized application for the many benefit programs that support working families, developing rules and procedures that allow base eligibility on tax records from previous years, using electronic records across multiple programs, using an application for one program as an "on ramp" to other programs, and streamlining renewal processes³⁵).

Research

Poverty can compromise the healthy development of infants and toddlers and impact later school and life success. One of the most consistent associations in the science of early childhood is between economic hardship and compromised child development.³⁶ The environmental stresses to which children in poverty are more likely to be exposed, such as inadequate nutrition, substance abuse, maternal depression, environmental toxins, and physical and emotional abuse, can all negatively impact their development.³⁷ Poverty may be especially harmful when experienced early in a child's life, because children are most vulnerable to environmental conditions at that time.³⁸ Early and sustained exposure to these risks can influence the physical architecture of the developing brain, preventing infants and toddlers from fully developing the neural pathways and connections that facilitate optimal development and learning. Consequently, when compared to children who are not poor, children who grow up in poverty are less likely to be successful in school and productive in the labor force, while also having increased odds of lifelong health problems and involvement in criminal activity.³⁹



Safety net programs are effective in reducing rates of child poverty. Researchers at the Urban Institute analyzed safety net programs and poverty rates in Georgia, Illinois, and Massachusetts (states with varying levels of generosity in their safety net programs) and found that, in the absence of public benefits, child poverty would at least double in all three states. They also found that safety net programs move the majority of families out of deep poverty.⁴⁰ Also, as Children's HealthWatch explains, hardships often occur in combination, with families facing multiple challenges all at one time. The study found that children in families receiving multiple benefits (WIC, SNAP, housing subsidy) were faring significantly better, demonstrating that the safety net works.⁴¹

Child nutrition programs can prevent food insecurity and promote healthy development. Growing up in food-insecure households can threaten the healthy development of infants and toddlers and hinder their later school success. Research shows that infants and toddlers who suffer from food insecurity have increased risk for iron deficiency anemia, deficits in cognitive development, and behavior and emotional problems.⁴² Child nutrition programs are effective deterrents to food insecurity and unhealthy development. Infants and toddlers who participate in the SNAP program are 26% less likely to be food insecure than eligible children who do not participate.⁴³ In one study, children whose families received SNAP were significantly less likely to be underweight and to experience developmental delays and were significantly more likely to be food secure than those whose families were eligible but did not receive SNAP.⁴⁴ Mothers who participate in the WIC program are less likely to have low birth-weight or preterm infants,⁴⁵ and infants who participate in WIC are more likely to be underweight and perceived as having fair or poor health.

For the many infants and toddlers who spend much of their day in child care, CACFP is an important source of nutrition. Children in child care settings with CACFP receive meals that are nutritionally superior to those in settings that do not receive CACFP. However, the number of children in family child care homes that receive CACFP decreased continuously between 1996 and 2011.⁴⁶

The home environment impacts child health outcomes. A stable home is critical during the early years as babies grow and develop. Low-income families often struggle to find safe and affordable housing, as well as to heat and cool their homes. Research has shown that infants and toddlers in families that receive a rent subsidy are less likely to have indications of undernutrition than those in families that do not receive a subsidy.⁴⁷ Babies and toddlers who live in families that are not able to afford sufficient energy are more likely to be in poor health and have a history of hospitalization, be at risk for developmental problems, and be food insecure.⁴⁸

Tax credits can ease the financial burden of low-income families. Research shows that the expansion of refundable tax credits such as the EITC and the Child Tax Credit (which is partially refundable) has effectively reduced the tax burden for low-income families.⁴⁹ In 2010, the EITC lifted 3.3 million children out of poverty, reducing the child poverty rate by a quarter of what it would have been without the EITC.⁵⁰ One study also found that the EITC positively impacted younger children's school achievement.⁵¹

Income matters. A recent examination of the link between poverty in early childhood and later outcomes suggests that increasing income can have a profound impact: increasing a family's income by \$3,000 annually over the course of several years can boost children's achievement significantly. Furthermore, evaluations of welfare reform experiments find that income, more than just parental employment, benefits younger children's achievement.⁵²



For more information about the effectiveness of child nutrition programs in preventing food insecurity, see *Leading the Way to a Strong Beginning: Ensuring Good Physical Health of Our Infants and Toddlers*.

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About Us

The ZERO TO THREE Policy Center is a nonpartisan, research-based resource for federal and state policymakers and advocates on the unique developmental needs of infants and toddlers. To learn more about this topic or about the ZERO TO THREE Policy Center, please visit our website at <http://www.zerotothree.org/public-policy>.



National Center for Infants, Toddlers, and Families

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