

child poverty
in Massachusetts:
a tale of two states

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executive summary.

Grantees of the Annie E. Casey Foundation's Kids Count Project are charged with providing data-driven reports to influence advocacy and policy direction on a wide variety of children's issues and indicators of child well-being. In this Massachusetts Kids Count data report we provide a broad overview of the scope and reasons for child poverty in the state, along with an introduction to the individual and broader social and economic costs. Child poverty is a root cause of many problems facing children, from inadequate housing and reduced educational opportunities, to poor nutrition, greater health risks, and neglect. The issue is more hidden in this state than in others, and yet it still affects children in nearly every one of our 351 towns and cities. In this report, we build on a new political momentum for alleviating poverty, and a growing receptivity by citizens to discussing it and supporting its elimination.

poverty divides.

- **Massachusetts continues to be one of the wealthiest states in the nation.** In 2006, Massachusetts had one of the highest median incomes for families with children - \$76,200 - compared with \$54,500 nationally, ranking it 4th highest in the country on this measure. When looking at children of all incomes, Massachusetts now ranks either 2nd, 3rd, or 4th best nationwide on a variety of child well-being indicators including infant mortality, child deaths, high school dropouts, teens out of school and not working, teen deaths, and births to teens.
- **But Massachusetts is also a state where children struggle, indicated by a child poverty rate that has hovered around 13% for a decade.** In 2006, 178,000 children lived at the official federal poverty level, and struggled to meet life's basic needs. A legislator driving on the Massachusetts Turnpike from his or her district to the State House in Boston would pass a child who is poor every four feet or nearly 1,300 children every mile of the 138-mile highway that stretches from Stockbridge to Boston.
- **And the chasm between rich and poor widens.** The state now has the 4th largest disparity in the nation between high-income and low-income residents. The state's growth in income inequality over the past two decades was the 3rd largest.

poverty hides.

- **Poverty is concealed behind an outdated poverty measure that underestimates its scope.** In the 1960's, when the federal poverty measure was developed, it was based on the amount that a family spent on food, which was about one-third of living expenses at that time. Now, food is about one-eighth of living expenses. The annual earnings threshold that determined poverty was nearly 50% of the state's median household income. Today, that threshold is about 29% of median household income.
- **Poverty is obscured by our state's great wealth.** A recent Annie E. Casey Foundation study found that when looking just at a cohort of low-income children rather than a cohort of children of all income groups, Massachusetts ranks as the worst state in the nation on six domains of child well-being. This finding may result from low-income families not being able to afford the high cost of living here and because they, more than in other states, perceive themselves to be less well-off than other families.
- **The state's favorable child poverty ranking (5th best in the country) masks the disadvantage of many of our children.** The facts are that one in eight of our state's children lives at the official federal poverty level; one in four lives in a low-income family; and one in three lives below the Family Economic Self-Sufficiency measure.

poverty isolates.

Like other states, Massachusetts poverty takes aim at children, single parents, racial and ethnic minorities, women, immigrants and parents with less education.

- **Massachusetts children of color are more likely to grow up in families with low incomes.** A higher proportion of African American and Latino children under 18 live in families who are poor (29% and 36% respectively) compared to White children (7%). A higher proportion of these children live in families without secure parental employment (45% and 51% respectively). The percentage is significantly less for White children (24%). For most minorities, disparities in assets such as home ownership are far greater than disparities in income. The inequality is passed down from one generation to another when there is no private family wealth to draw upon to gain economic leverage.

■ **Of the 84,000 Massachusetts families living below the poverty line in 2006, 68,000 were headed by single parents.** The ten Massachusetts towns with the highest percentage of children in single-parent households were among the poorest in the state: Monroe, Springfield, Holyoke, Lawrence, New Bedford, Boston, Fall River, Southbridge, Chelsea, and North Adams.

■ **Children who are poor live in nearly every county, city and town in Massachusetts.** Twenty-one cities and towns with child poverty rates of 20% or higher contain well over half of the state's children who live at the poverty level. These are dispersed across 10 of the 14 Massachusetts counties. Most of these places (including Springfield, Lawrence, New Bedford, Boston, Worcester and Lowell) are densely populated. Eight (including North Adams, Greenfield and Tisbury) are relatively isolated and rural, with populations under 20,000.

poverty denies.

■ **Massachusetts has better children's health policies than other states.** As a result, we have some of the best health outcomes for children in the country. For example, in 2006, 91% of all our two-year-olds were immunized compared with 83% nationally. Massachusetts ranks 4th best in the nation in infant mortality. But according to the 2006 Massachusetts Survey of Health Insurance Status, the uninsured rate for children 18 years old and under, was 2.5% or 38,512 children. Most of these uninsured children (nearly 75%) are from low- and moderate-income families. Children from these families are less likely to be immunized or have access to dental care. They are more likely to die as infants, suffer from lead poisoning, asthma and childhood obesity.⁶ Neuroscientists have found that many children growing up in poor families experience unhealthy levels of stress hormones which can impair language and memory. This in turn, may contribute to the inability to escape poverty.

■ **One in three children in 35 of our cities and towns lives in a family struggling to put food on the table.** Data on food insecurity point to 8% of our state's households that experience food insecurity without hunger and 3% that experience food insecurity with hunger. One in five Massachusetts children birth through five-years-old participate in the Women, Infants and Children (WIC)

nutrition program. **Policy note:** While Food Stamp usage recently has increased, as of April 2008, Massachusetts households received an average of \$181 in Food Stamp benefits, which still falls short of the cost of a diet that meets nutrition guidelines.

■ **Poverty keeps children in the cold.** During the winter when low-income and poor parents cannot afford both high heating and food costs, many end up sacrificing on both fronts, living with food scarcity while heating their homes with cooking stoves and space heaters. These choices, according to Boston pediatricians, wreak havoc on the health of children. When babies' and toddlers' bodies have to divert already scarce calories to maintain body heat, cold and hunger combine to weaken their health, growth, ability to learn and to relate to others. Research from the Boston Medical Center found a 33% increase in the proportion of underweight infants and toddlers in their emergency room in the three months after the coldest months compared with the rest of the year. **Policy note:** Legislators and advocates have urged increased funding for the Low Income Home Energy Assistance Program (LIHEAP), an important hedge against cold and the illnesses and hospitalizations it can cause.

■ **Poverty undermines success in school.** Children in low-income communities are more likely to attend schools that lack resources, and they have fewer opportunities to participate in extracurricular activities. Children from poor families are twice as likely to repeat a grade and three times as likely to be expelled from school. **Policy note:** The earlier the intervention, the better the outcome in the end, because the brain loses its adaptability as the child becomes older. Early education and care in Massachusetts costs a parent, on average, \$10,000 per child. In March 2008, there were 59,866 children from infant-toddler through school-age who received assistance from the Department of Early Education and Care. Because of inadequate funding, there are still about 18,000 mostly eligible children on the waiting list for state financial assistance.

■ **Poverty locks children out of stable homes.** The U.S. Centers for Disease Control and Prevention report that on any given day, there are more than 50,000 school-aged children and youth, along with 50,000 younger children who are homeless in the Bay State. Massachusetts children

who end up homeless may suffer twice as many chronic illnesses – from ear infections and diarrhea to headaches. They go hungry at twice the rate of other children and are more likely to have academic problems due to changing schools frequently. Nearly half exhibit mental health problems such as anxiety, depression or withdrawal.

Policy note: Despite recent progress in increasing affordable housing in suburban communities, fewer than one in seven Massachusetts communities meets the state goal of 10% affordable housing.

- **Child poverty neglects. Families who are poor are not inherently more abusive than other families. But a number of problems associated with poverty can contribute to child maltreatment.** The National Incidence Study of Child Abuse and Neglect found that children from families with annual incomes below \$15,000 were over 44 times more likely to experience some form of maltreatment than children from families with annual incomes above \$30,000. On the national level, neglect occurs in half the 1,500 child deaths attributed to maltreatment annually. In Massachusetts, neglect is by far the greatest cause of deaths from child maltreatment, for example, comprising nine out of the ten deaths in 2006.

poverty persists.

- **Child poverty is rooted in job losses over time and changes in demand for job skills. It is fueled by stagnant earnings in our high-cost-of-living state.** While the state economy ranks near the top of the nation in labor productivity, nearly one-third (or 434,000 children in 2006) were living in Massachusetts homes in which no parent was employed full-time, year-round. The percentage for this indicator has fluctuated only minimally between 31% and 30% over the past five years. We are down about 100,000 jobs from the peak of the business cycle in 2001 and we ranked next to last in job creation between 2001 and 2006.
- **Wages for workers in the bottom fifth of the income distribution have remained flat since 1990; the stagnation in wages is made worse by the state's high cost of living.** The state now ranks 28th in the nation in working families not being able to meet a family budget. Over three-quarters (77%) of the Commonwealth's low-income children, compared with 66% in the U.S., live in households where housing costs exceed 30% of income.

- **Poverty also continues because of policies and programs that often are inadequate to sustain even families who work full-time.** About one of every three persons not meeting their family budget is eligible for six programs aimed at helping working families: Earned Income Tax Credit (EITC), Food Stamps, housing assistance, Medicaid (Mass Health), and the State Children's Health Insurance Program (SCHIP). Transitional Aid to Families with Dependent Children (TAFDC) provides assistance and work opportunities to families through federal grants to states. According to some policy groups, however, there is little evidence that these reforms have helped most low-income parents earn the wages required to support a family in Massachusetts

poverty costs.

- **Poverty costs not only the poor but all of us in real economic terms – in reduced productivity and economic output, increased costs of crime, and higher health expenditures.** Massachusetts' share of children who are poor as a percentage of the total number of children who are poor in the country is 1.3%. If we apply this percentage to the national cost of poverty of \$500 billion, the cost of child poverty in the Commonwealth could be as much as \$6.5 billion dollars annually.

end child poverty.

Recent developments are fueling optimism about ending child poverty.

- **Poverty reduction campaigns are gaining political momentum.** Governments are finding that while reducing poverty costs money, sustaining it is even more expensive. Poverty reduction targets like those initiated in Great Britain in particular are gaining momentum in this country, with 15 states on board since 2006 and growing. For example, Connecticut has established by law a Child Poverty Prevention Council, and aims to reduce poverty by 50% by 2014. Minnesota has established a Bipartisan Legislative Commission to End Poverty by 2020. Illinois has created a Commission on Poverty Eradication aimed at reducing extreme poverty by 20% by 2018.
- **Poverty is increasingly a bipartisan issue.** Seventy-one percent (71%) of likely voters from the Democratic and Republican parties polled about child poverty in four early primary states said they were more likely to vote for a

presidential candidate whose agenda included providing greater economic opportunities and resources to help lift children and families out of poverty.

- **There are solutions to the health, hunger, education, housing, neglect, and economic problems associated with Massachusetts child poverty.** According to the Center for American Progress report, *From Poverty to Prosperity*, poverty could be cut by more than 25% just by increasing the minimum wage, earned income tax credits, child tax credits and child care subsidies.

establish a child poverty reduction initiative in Massachusetts.

Massachusetts Citizens for Children recommends that the Commonwealth establish the **Massachusetts Child Poverty Reduction Initiative**. Forming such an Initiative can provide the vision to drive change and make tangible the bipartisan political commitment to measurably reduce poverty in our state. Here are some first steps and questions that could help form a plan of action:

1. Organize the infrastructure.

- *What have other states done to organize their poverty reduction efforts?*
- *How can different Massachusetts initiatives that might influence child poverty be brought together under a Poverty Reduction Initiative?*
- *What overall structure would work best to drive change in the Commonwealth?*
- *Should the Initiative be established through Executive Order, legislative mandate, or other avenue?*

2. Examine promising programs and policies.

- *What is the extent of poverty that is not captured by the current federal poverty measure and how can we count it more accurately?*
- *What would be the cost of poverty reduction programs compared with savings for eliminating poverty's inevitable consequences?*
- *What policies and programs are working in Massachusetts? Which ones should be sustained, expanded, or suspended?*
- *What innovative approaches in other states should we consider adopting or adapting for our state?*

3. Establish targets, timetables and benchmarks.

Targets express the political commitment behind reducing poverty. They keep the vision central and the commitment focused. **Targets grab attention.** In the UK, when the first benchmark found child poverty down 23% rather than 25%, the political resolve was not diminished but strengthened. **Targets provide an operational framework**

for reducing poverty. They let leaders and the public know whether the game has been won or lost and whether particular policy approaches, new or old are effective. Some questions to ask:

- *What poverty reduction target should Massachusetts set – to reduce it by what percentage and by when? Should the target call for elimination and in what timeframe?*
- *Are there geographic priorities with regard to poverty reduction, e.g., areas where poverty has been persistent and entrenched?*
- *What are the interim measures or benchmarks for achieving success toward our target?*
- *Which state agencies should be engaged in implementing, reporting, and providing oversight to the effort?*

4. Engage the public.

The public attitude toward poverty is shifting. Of likely voters polled during the 2008 presidential primary season by Republican consultant Jim McLaughlin, most (83%) said that spending money was a good investment in reducing social costs such as poor health and lack of education. The Massachusetts Child Poverty Reduction Initiative can leverage this momentum by further educating the public about the scope and dynamics of poverty, and its individual, social, and economic costs.

- *What bridges can we create between communities on either side of the economic chasm in our state?*
- *How can we generate opportunities for dialogue between citizens and policymakers about the issue?*
- *What should be done to organize local community support for poverty reduction?*
- *How can citizens be active partners in a collective statewide effort?*

Massachusetts is moving forward with many progressive programs and policies in areas affecting children, from health care and hunger to education and homelessness prevention. The state is uniquely positioned to join with other states now in the growing movement to end child poverty across our country. We can map the scope and human dimension of poverty by listening to those affected, examine innovative programs, assess the resources in place to address it, prioritize efforts, and set achievable child poverty reduction targets. Working together, policymakers, citizens and advocates can resolve the paradox of child poverty in our rich and capable Commonwealth.

**Data included in the Executive Summary are also contained in the full Report. Please see Reference section for a full listing of citations.*

a tale of two states.

Massachusetts is a tale of two states when it comes to its 1.4 million children. The first can be proud of its high family incomes, top-rated hospitals, renowned colleges and universities and its overall high ranking on indicators of child well-being. The other state remains mired in child poverty that persists despite economic ups and downs, denies children high quality education, food, housing and heat, and is at risk of ensnaring more children in a widening gap of income disparity.

a state where children thrive.

Massachusetts continues to be one of the wealthiest states in the nation. In 2006, Massachusetts had one of the highest median incomes for families with children - \$76,200 - compared with \$54,500 nationally, ranking it 4th highest in the nation on this indicator.¹

Kids Count data, derived from U.S. Census, American Community Survey and other federal sources, show that indicators of child well-being are among the best in the country.

- When looking at children of all incomes, Massachusetts now ranks **3rd best** in the nation on an overall measure of child well-being, which is based on a variety of health, education and income indicators.
- Massachusetts ranks **2nd best** in its low child death rate, and has the **4th lowest** infant mortality rate in the nation.
- The state has better education outcomes, and it **ranks in the top nationally** in the percentage of fourth graders who scored at or above a proficient reading level in 2007 (49% versus 32% national average).
- We have better youth outcomes, including fewer teens out of school and not working, and lower youth crime rates. We

have the **2nd** lowest high school dropout rate (with our rate improving by 50% between 2000 and 2006, from 8% to 4%), **the 3rd lowest** teen death rate, and the **3rd lowest** teen birth rate.²

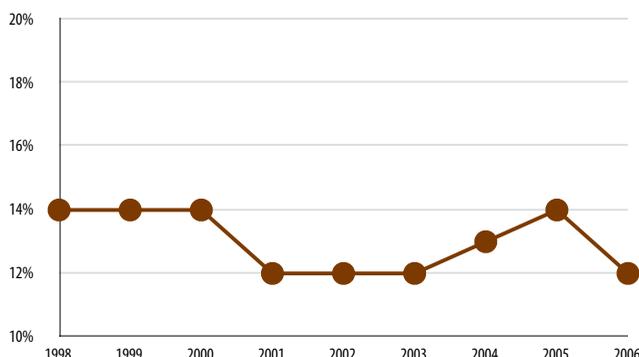
- Massachusetts has **better health coverage and health outcomes**. Just 6% of children under 18 years old were uninsured in 2005, compared with 11% nationally, and this percentage should improve with the new Massachusetts health insurance law.³ Nearly all two-year-olds are immunized in Massachusetts - 91% compared with 83% nationally.⁴

a state where children struggle.

In the other Massachusetts, children struggle to meet life's basic needs. As is the case nationally, young children in the state are more likely to be poor than any other age group. Children are poor because their families don't have enough income. Children in poverty are more likely to have health and behavioral problems, have difficulty in school, become teen parents, earn less as adults, and be unemployed.⁵

- Over the past decade, the Massachusetts' **child poverty rate has hovered around 13%**, even during periodic improvements in overall economic conditions in the state. The percentage of children in poverty, living in families whose income is at 100% of the federal poverty level (FPL), (\$21,200 annual income for a family of four in 2008), increased from 12% in 2003, to 13% in 2004, and to 14% in 2005, before falling back to 12% in 2006.⁶
- The improvement between the child poverty rate of 14% in 2005 (194,000 children) to 12% in 2006 (178,000 children) represents 16,000 children for whom conditions improved – *at least by the official measure*.

Percentage of Massachusetts Children in Poverty (100% FPL)
1998 to 2006



Source: U.S. Census Bureau and American Community Survey