



# Child Poverty in Connecticut

## March 2008

### **Great Wealth, Persistent Poverty**

**Despite Connecticut's great wealth, one in 10 children lives in poverty.**

- Connecticut is one of the wealthiest states in the nation. Compounded with its highly skilled workforce, that makes the cost of living very high.<sup>1</sup> The state was one of three states in the nation with the highest median household income in 2006.<sup>2</sup>
- Child poverty in Connecticut has not improved in recent years, according to the U.S. Census Bureau.
  - In 2006, one in 10 (10.3 percent) Connecticut children under 18 (84,000) lived in a household with income below the federal poverty level (\$20,516 for a family of four). That's down from the 2004 level (12.4 percent) but represents no improvement from the 2003 level (10.1 percent), according to the U.S. Census Bureau's Current Population Survey (CPS).<sup>3</sup>
  - One in four (25.8 percent) Connecticut children lived in a household with income below 200 percent of the federal poverty level in 2006, according to CPS data. This was worse than the 2004 level (23.9 percent).<sup>4</sup>
  - According to a second measure that uses a larger sample, 10.7 percent of Connecticut children under 18 (86,000 children) in 2006 lived in a family with income below the federal poverty level. This data from the U.S. Census Bureau's American Community Survey represents no improvement from the 2004 level (10.1 percent).<sup>5</sup>

### **Child poverty rate is unchanged despite welfare changes.**

- The 2006 child poverty estimate for Connecticut represents no progress over the 1990 child poverty rate of 10.4 percent, despite record-low unemployment in the 1990s and an aggressive effort to move welfare recipients into the workplace.<sup>6</sup>

### **Poverty in Connecticut is concentrated in urban areas.**

- Children living in poverty are unevenly distributed across Connecticut's 169 towns. While 38 towns had child poverty rates of less than 2 percent in the 2000 Census, seven towns had rates above 23 percent, led by Hartford.<sup>7</sup>
- In 2006, the state's capital city, Hartford, had the sixth-highest child poverty rate in the nation among cities with population exceeding 100,000, at 43.4 percent. Three other Connecticut cities (Waterbury, at 33.5 percent; Bridgeport, at 29.5 percent; and New Haven, at 27.6 percent) joined Hartford among the 75 cities with the highest child poverty rates in the nation.<sup>8</sup>

### **Most low-income Connecticut families work, yet employment is at low wages.**

- Three-quarters (76 percent) of Connecticut's poor families with a parent able to work have a parent in the workforce (2003 data). Employment is not adequate to lift these working families out of poverty.<sup>9</sup> In 2006, 16.8 percent of Connecticut workers earned a "poverty" wage or less.<sup>10</sup>

### **The 'Two Connecticuts'**

#### **The gap between high-wage and low-wage workers is growing.**

- In 2006, the gap between the wages of the very rich and the very poor in Connecticut ranked in the upper fifth of such differences among states, with hourly wages for 90th percentile wage earners at 4.8 times the wages of 10th percentile earners. By comparison, in 1979, Connecticut's 90th percentile wage earners made only 3.5 times the wages of its 10<sup>th</sup> percentile workers.<sup>11</sup>

#### **Minority children are more likely to live in poverty.**

- In 2005, Latino/Hispanic and African American children in Connecticut were seven times more likely to live in poverty than white, non-Hispanic youth.<sup>12</sup>

#### **Educational challenges for low-income children begin with access to high-quality preschool.**

- Children growing up poor in Connecticut perform on educational tests at a much lower level than do higher-income children. The 2007 Nation's Report Card indicates that Connecticut has some of the largest achievement gaps in the nation between students from low- and high-income families. In reading, less than one in seven (13 percent) of Connecticut's low-income fourth grade students met the proficiency standard, compared with 53 percent of children from higher-income families.<sup>13</sup>

- An estimated 8700 children in Connecticut's lowest-income school districts (Priority School Districts) are in need of a quality preschool program.<sup>14</sup>
- The lack of quality early education can have a significant impact on children's readiness for school and their potential for lifelong educational and work success. A survey of kindergarten teachers in low-income school districts in Connecticut found that:<sup>15</sup>
  - 75 percent of children who did not attend preschool arrived at kindergarten lacking basic language and literacy skills, such as being able to use complete sentences, respond when spoken to, identify their name in print, or recognize the first ten letters of the alphabet;
  - 70 percent of children who did not attend preschool were unable to perform basic math tasks such as recognizing numbers, counting to 10 or drawing basic shapes; and
  - health problems such as asthma, skin rashes, ringworm, and lack of physical exams were identified by 65 percent of the teachers. Nearly one-fifth of the teachers observed children who come to school hungry, tired and unkempt.

### **The Costs of Poverty**

#### **Lost future productivity from poverty: a billion-dollar loss for Connecticut.**

- The costs to the United States associated with child poverty total about \$500 billion per year in foregone earnings and productivity, high crime rates, and poor health associated with adults who grew up in poor households, according to a 2007 analysis by researchers from Georgetown University, the University of Chicago, and Northwestern University. The nation could raise its overall consumption of goods and services and its quality of life by a half-trillion dollars a year if childhood poverty were eliminated.<sup>16</sup>
- Each year that a child spends in poverty results in a cost of \$11,800 in lost future productivity over his or her working life. The United States labor force will lose an estimated \$137 billion in future economic output for every year that more than 12 million poor children grow up to be less productive and effective workers.<sup>17</sup>
- Since 86,000 (10.7 percent) of Connecticut's children live in poverty, the Connecticut labor force is projected to lose over \$1 billion in future productive capacity for every year that this number of Connecticut children live in poverty.<sup>18</sup>

## Widespread illiteracy hurts business community

- The inability of young people to read as they move into adulthood hurts business in Connecticut. Approximately 300,000 Hartford-area adults, or roughly 41 percent of the adult population, are functioning below the literacy level required to earn a living wage.<sup>19</sup> Over \$60 billion nationally is lost in productivity each year by American businesses due to employees' lack of basic skills.<sup>20</sup>

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<sup>1</sup> Connecticut Child Poverty Council. (2005, Jan.) *Initial plan*. Hartford, CT: Connecticut Office of Policy and Management.

<sup>2</sup> Webster, B.H., Jr. & Bishaw, A. (2007, Aug.). *Income, Earnings, and Poverty Data From the 2006 American*

*Community Survey*, 5. U.S. Census Bureau, American Community Survey Reports, ACS-08. Washington, DC: U.S. Government Printing Office. Online at <http://www.census.gov/prod/2007pubs/acs-08.pdf>.

<sup>3</sup> U.S. Census Bureau, Current Population Survey, 2007 Annual Social and Economic Supplement. Table POV46 (rev. Aug. 28, 2007). Downloaded from

[http://pubdb3.census.gov/macro/032007/pov/new46\\_100125\\_03.htm](http://pubdb3.census.gov/macro/032007/pov/new46_100125_03.htm) (Mar. 10, 2008); U.S. Census Bureau, Current Population Survey, 2005 Annual Social and Economic Supplement. Based on the June 2006 Weighting Correction. Table POV46 (rev. Nov. 2, 2006). Downloaded from

[http://pubdb3.census.gov/macro/032005/pov/new46\\_100125\\_03.htm](http://pubdb3.census.gov/macro/032005/pov/new46_100125_03.htm) (Mar. 10, 2008); U.S. Census Bureau, Current Population Survey, 2004 Annual Social and Economic Supplement. Table POV46 (rev. July 9, 2004). Downloaded from [http://pubdb3.census.gov/macro/032004/pov/new46\\_100125\\_03.htm](http://pubdb3.census.gov/macro/032004/pov/new46_100125_03.htm) (Mar. 10, 2008); DeNavas-Walt, C., Proctor, B.D., & Smith, J. (2007). *Income, Poverty, and Health Insurance Coverage in the United States: 2006*, 43. U.S. Census Bureau., Current Population Reports, P60-233. Washington, DC: U.S. Government Printing Office. Online at <http://www.census.gov/prod/2007pubs/p60-233.pdf>.

The U.S. Census Bureau's Current Population Survey (CPS) uses a smaller sample size than the U.S. Census Bureau's American Community Survey (ACS) (see endnote 5 below), but unlike the ACS, the CPS produces data on 200 percent of the federal poverty level, so the Connecticut Child Poverty and Prevention Council -- which has selected both the 100 percent and 200 percent levels as indicators of child poverty -- uses CPS data. According to CPS data (U.S. Census Bureau, Current Population Survey), Connecticut poverty among related children under age 18 decreased from 12.0 percent (2005) (POV46, [http://pubdb3.census.gov/macro/032006/pov/new46\\_100125\\_04.htm](http://pubdb3.census.gov/macro/032006/pov/new46_100125_04.htm)) to 9.6 percent (2006) (POV46, [http://pubdb3.census.gov/macro/032007/pov/new46\\_100125\\_04.htm](http://pubdb3.census.gov/macro/032007/pov/new46_100125_04.htm)).

<sup>4</sup> U.S. Census Bureau, Current Population Survey, 2007 Annual Social and Economic Supplement. Table POV46 (rev. Aug. 28, 2007). Downloaded from

[http://pubdb3.census.gov/macro/032007/pov/new46\\_185200\\_03.htm](http://pubdb3.census.gov/macro/032007/pov/new46_185200_03.htm) (Mar. 10, 2008). U.S. Census Bureau, Current Population Survey, 2005 Annual Social and Economic Supplement. Based on the June 2006 Weighting Correction. Table POV46 (rev. Nov. 2, 2006). Downloaded from

[http://pubdb3.census.gov/macro/032005/pov/new46\\_185200\\_03.htm](http://pubdb3.census.gov/macro/032005/pov/new46_185200_03.htm) (Mar. 10, 2008).

<sup>5</sup> U.S. Census Bureau, American Community Survey. Tables C17006 (2006) and B17006 (2004).

Downloaded from <http://factfinder.census.gov> (Oct. 5, 2007). The U.S. Census Bureau's American Community Survey (ACS) provides a larger sample size than the U.S. Census Bureau's Current Population Survey (CPS) (see U.S. Census Bureau. (2007, Aug. 28). *Differences between the Income and Poverty Estimates from the American Community Survey and the Annual Social and Economic Supplement to the Current Population Survey*, Washington, DC: U.S. Government Printing Office, online at: <http://www.census.gov/hhes/www/poverty/factsheet.html>).

<sup>6</sup> Ibid; Connecticut Voices for Children. (2005, Aug. 30). *Census Bureau reports more than one in ten Connecticut children in poverty; over one in ten residents uninsured*. News release. Author: New Haven, CT. Online at [http://www.ctkidslink.org/media/press\\_releases/2005\\_08censuspoverty.pdf](http://www.ctkidslink.org/media/press_releases/2005_08censuspoverty.pdf).

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- <sup>7</sup> Canny, P., Hall, D., & Geballe, S. (2002, Aug.). *Child and family poverty in Connecticut: 1990 and 2000*, 5. Data CONNECTIONS. New Haven: Connecticut Voices for Children.
- <sup>8</sup> Ali, T. *Child poverty in 2006: How do Connecticut cities measure up?* (2007, Sept.). New Haven: Connecticut Voices for Children. Online at <http://www.ctkidslink.org/publications/econ07ctpovertyranking.pdf>.
- <sup>9</sup> Hall, D.J., & Geballe, S. (2005, Sept.) *The state of working Connecticut, 2005*, VI-1. New Haven: Connecticut Voices for Children.
- <sup>10</sup> Hero, J., Hall, D.J., & Geballe, S. (2007, Sept.). *The state of working Connecticut, 2007*, VI-1. New Haven: Connecticut Voices for Children. Online at <http://www.ctkidslink.org/publications/SOWCT2007fullreport.pdf>.
- <sup>11</sup> Hero, J., Hall, D.J., & Geballe, S. (2007, Sept.). *The state of working Connecticut, 2007*, V-3. New Haven: Connecticut Voices for Children.
- <sup>12</sup> Connecticut Voices for Children. (2007, Jul.) *Connecticut's children: race and ethnicity matter*, 1. New Haven: Author. Online at <http://www.ctkidslink.org/publications/econ07raceethnicity.pdf>.
- <sup>13</sup> U.S. Department of Education, National Center for Education Statistics. (2007.). *The nation's report card: reading 2007*. Washington, DC: Author. Online at <http://nces.ed.gov/nationsreportcard/pdf/stt2007/2007497CT4.pdf>.
- <sup>14</sup> Connecticut State Board of Education. (2006, Mar.) *School readiness need and costs to serve all 3- and 4-year-old children in the 19 Priority School Districts*, 6. Hartford: Author. Online at [http://www.sde.ct.gov/sde/lib/sde/PDF/DEPS/Readiness/SR\\_Report.pdf](http://www.sde.ct.gov/sde/lib/sde/PDF/DEPS/Readiness/SR_Report.pdf).
- <sup>15</sup> Connecticut Commission on Children. (2004, Apr.). *Opening the kindergarten door*. Executive summary. Hartford: Author.
- <sup>16</sup> Holzer, H.J., Schanzenbach, D.W., Duncan, G.J., & Ludwig, J. (2007, Apr.). *The economic costs of poverty in the United States: subsequent effects of children growing up poor*. Madison, WI: Institute for Research on Poverty, Discussion Paper No. 1327-07.
- <sup>17</sup> Children's Defense Fund Action Council. (2006). *Stand up for children now!*, 22. Washington, DC: Author. Online at <http://www.cdfactioncouncil.org/minigreenbook.pdf>.
- <sup>18</sup> Connecticut Commission on Children calculation based on CDF projection and U.S. Bureau of the Census data. 2006 figures for Connecticut population and percentage of children in poverty.
- <sup>19</sup> Greater Hartford Literacy Council. (2003). *Take action for literacy: the status of literacy in Greater Hartford*, 5. Hartford, CT: Author.
- <sup>20</sup> National Institute for Literacy. Cited in Greater Hartford Literacy Council, 6.