



# Turning Point:

The Long Term Effects of Recession-Induced Child Poverty



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# Children and the Recession



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## **The economy will recover from the recession. Millions of children will not.**

Children who fall into poverty during a recession will fare far worse, even well into adulthood, than will their peers who avoided poverty despite the downturn in the economy. These children will:

- Live in households with lower overall incomes
- Earn less themselves
- Be more likely to live in or near poverty
- Achieve lower levels of education
- Be less likely to be gainfully employed
- Report poorer health conditions



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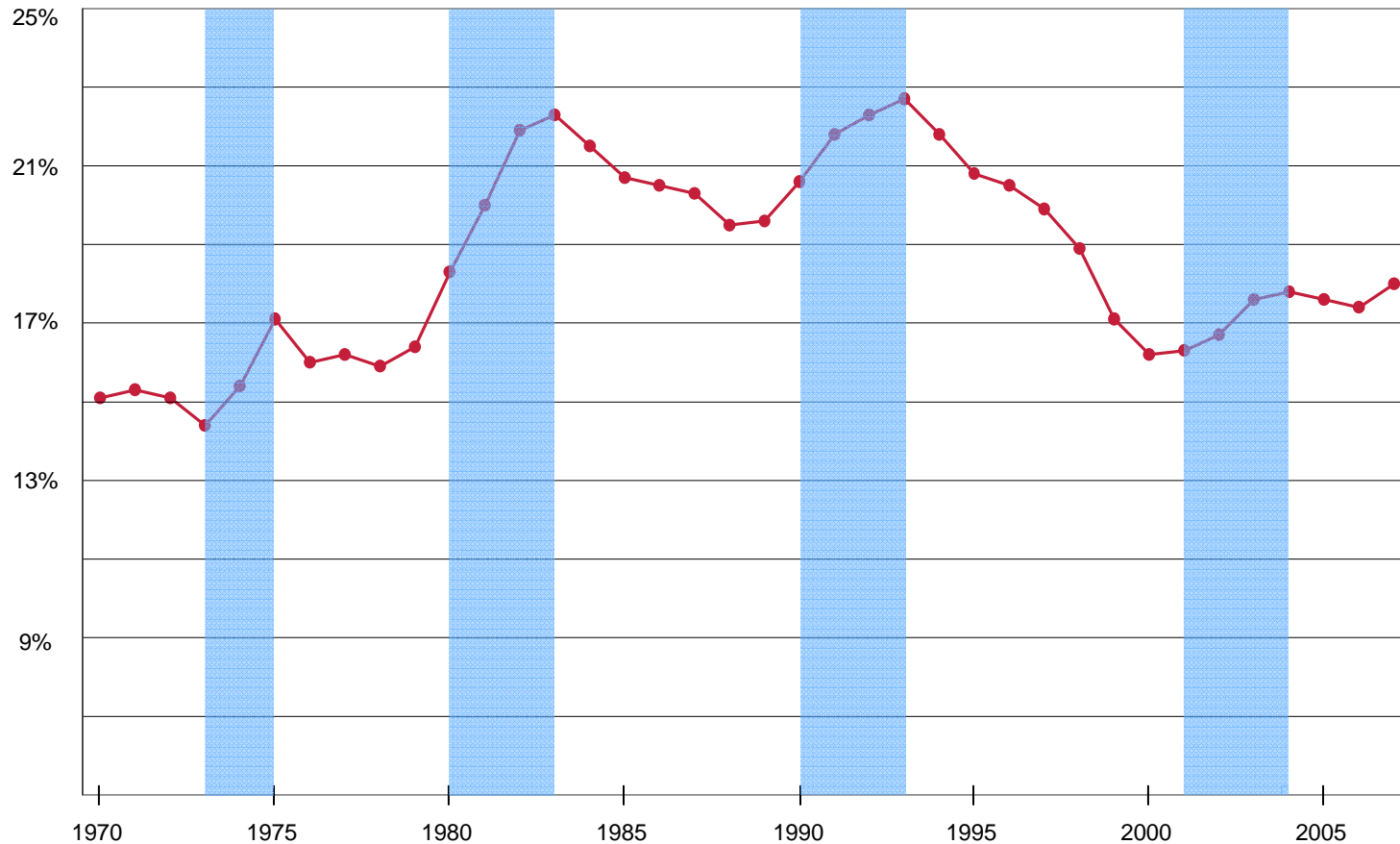
# Child Poverty and Recessions



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## Child poverty rises sharply during recessions

Percent of Children in Poverty, 1970 to 2007



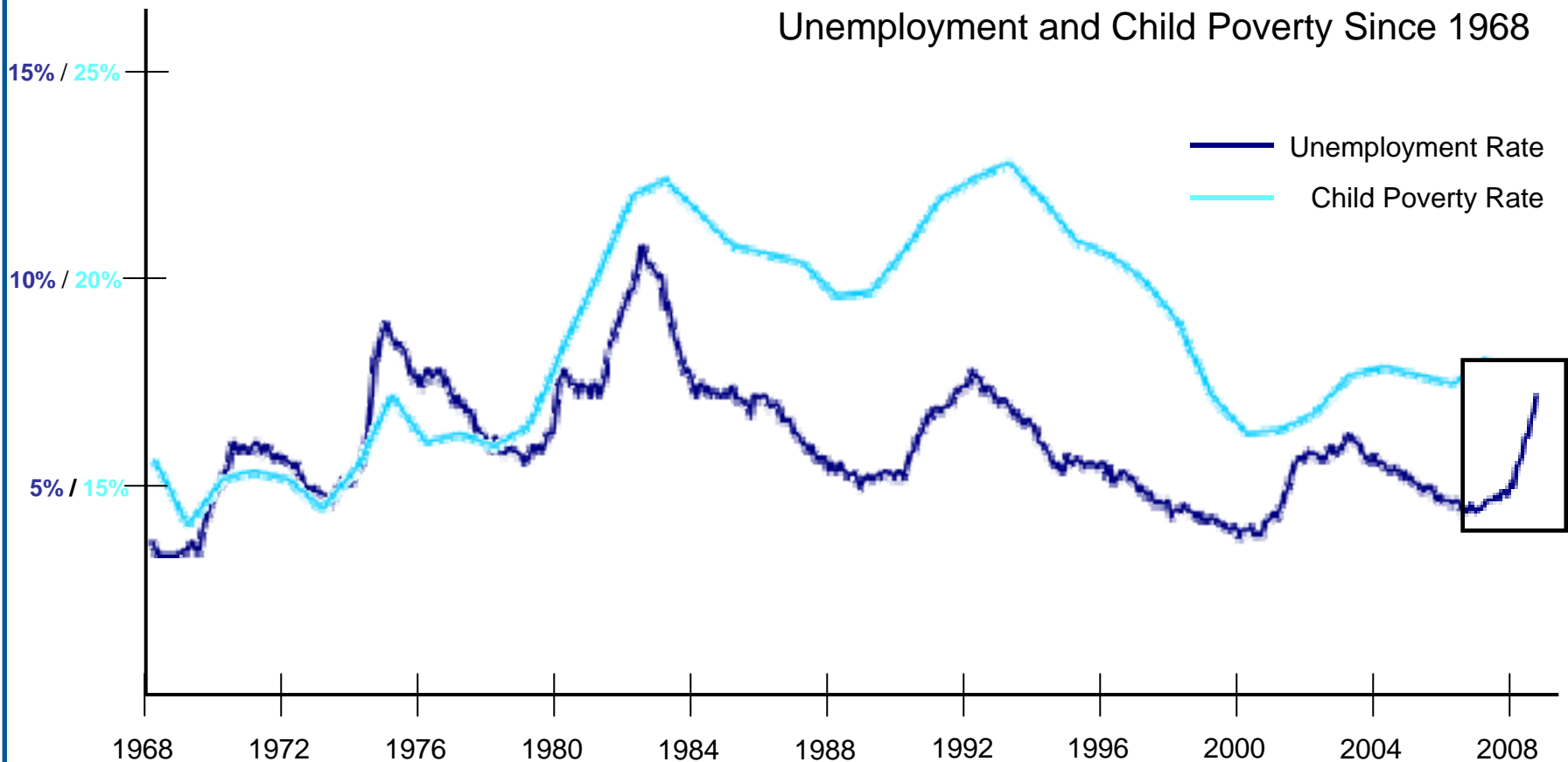
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# Child Poverty and Unemployment



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About three million children will fall into poverty during this recession.



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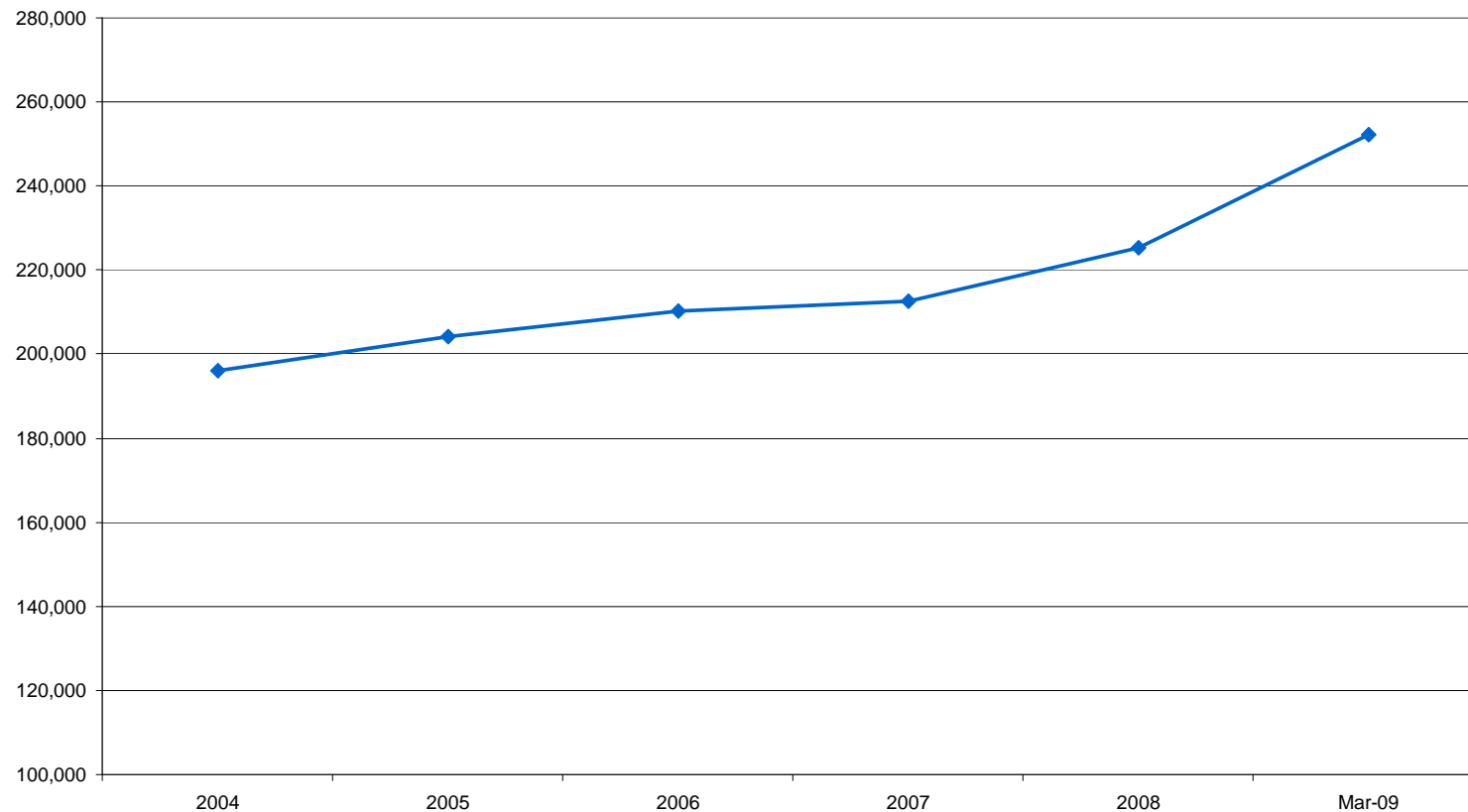
# What's Happening Here?



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Food Stamp benefits are a good indication of economic hardship, and CT's monthly caseload has grown 20% since 2007.

Persons Receiving SNAP Benefits in Connecticut (Monthly)





1. Using data from the Panel Study on Income Dynamics, we followed the progress of four cohorts of people who were children during a post-war recession.

2. We divided the people into three groups:

**“Never Fell” Group**

- Out of poverty before the recession.
- Never drop into poverty during the recession.

**“Fell” Group**

- Out of poverty before the recession.
- Do drop into poverty during the recession.

**“Always In” Group**

- Already in poverty before the recession.
- Still in poverty at the end of the recession.

3. At five year intervals, we compared the progress of these three groups along a range of measures including income, poverty status, educational attainment, and health status.

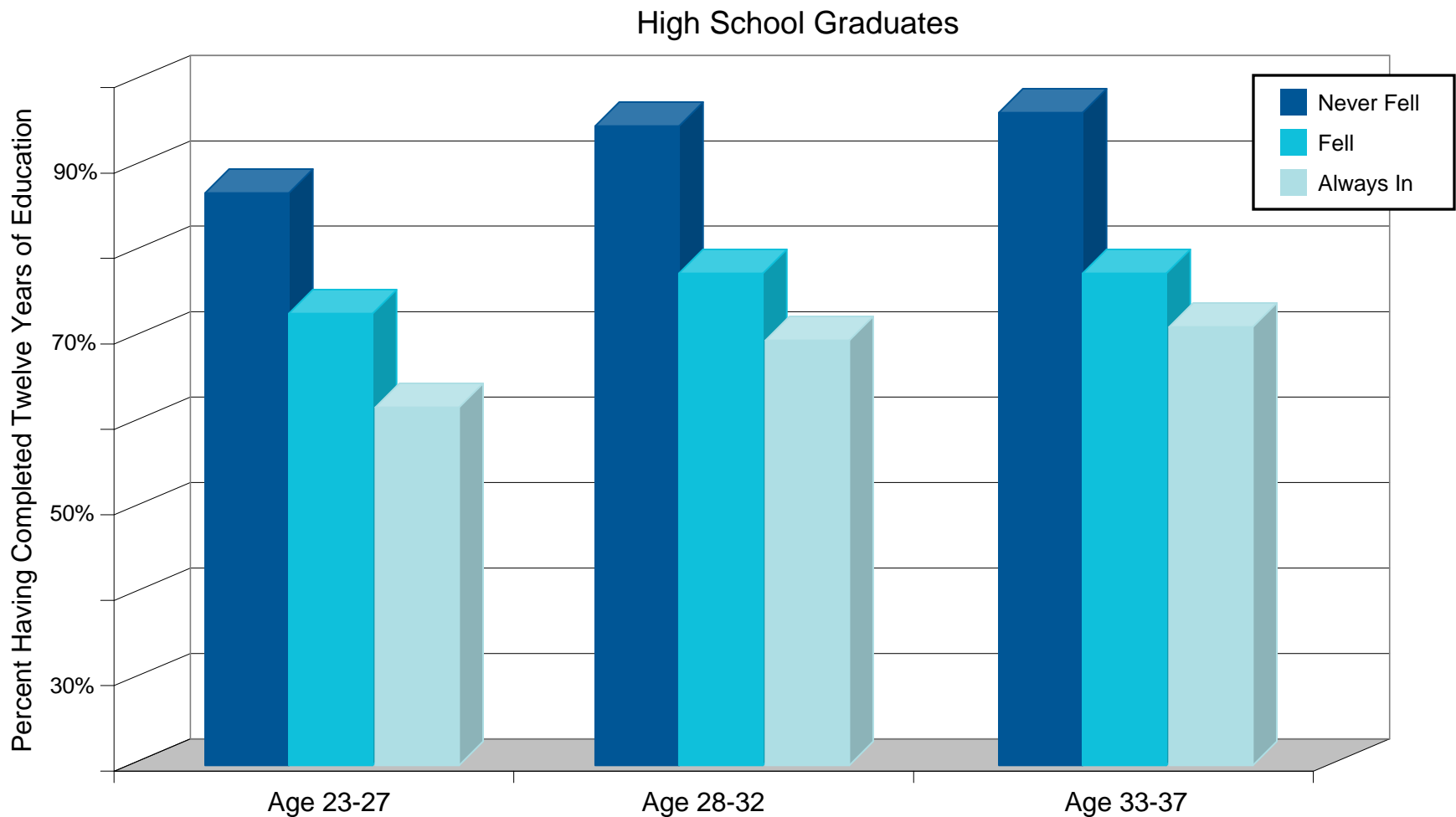
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# Educational Attainment



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95% of kids who don't fall into poverty during a recession will graduate high school  
Less than 80% of kids who experience recession-induced poverty will graduate.



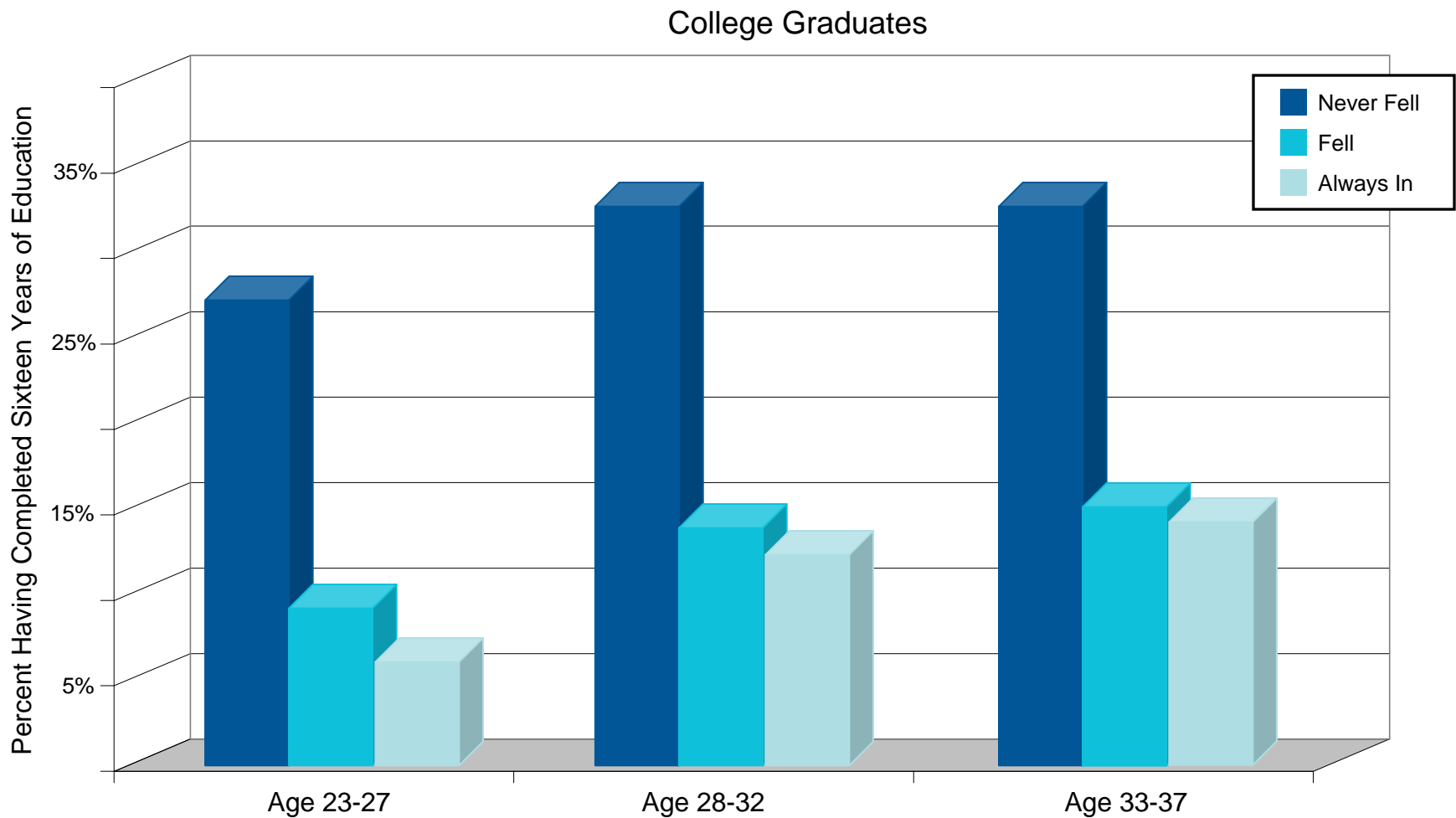
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# Educational Attainment



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Less than 15% of those who “Fell” complete sixteen years of education, compared to 33% of those who “Never Fell.”



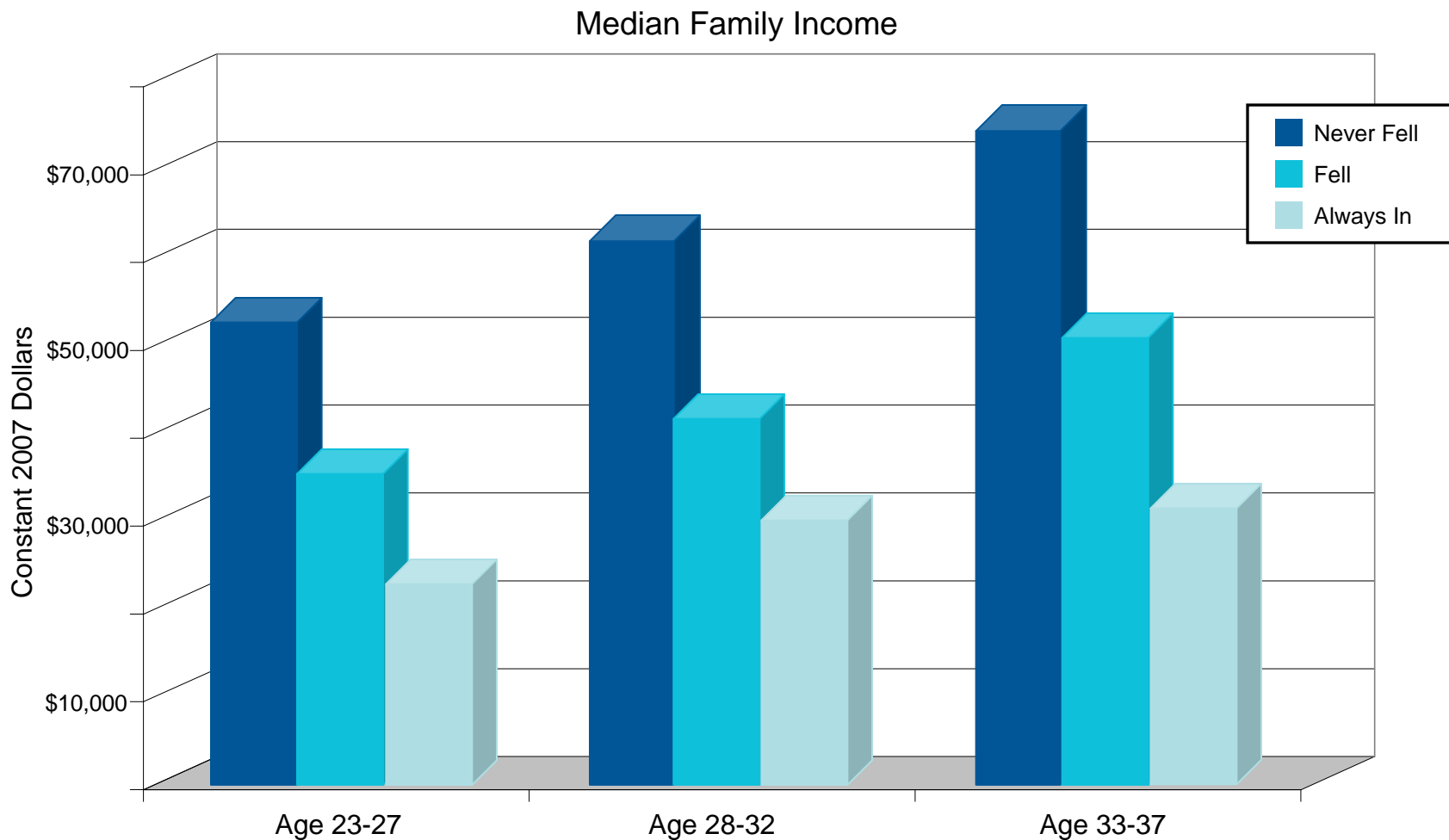
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# Family Income



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Children who fall into poverty during a recession can expect to live in households that earn about 30% less than children who do not.



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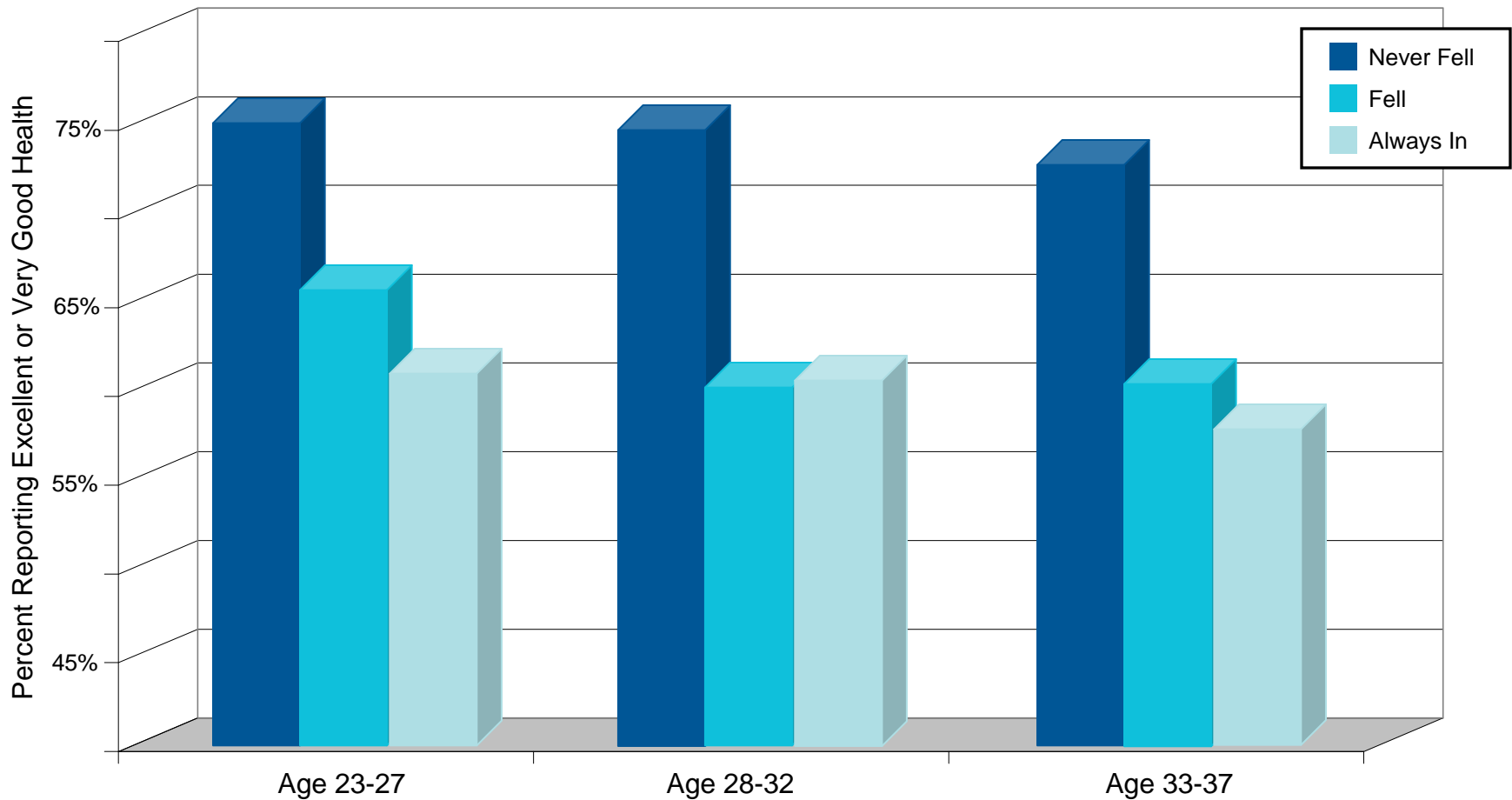
# Health Status



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Those who “Fell” and those who were “Always In,” by the second comparison point, are nearly identical in terms of health status.

Excellent or Very Good Health



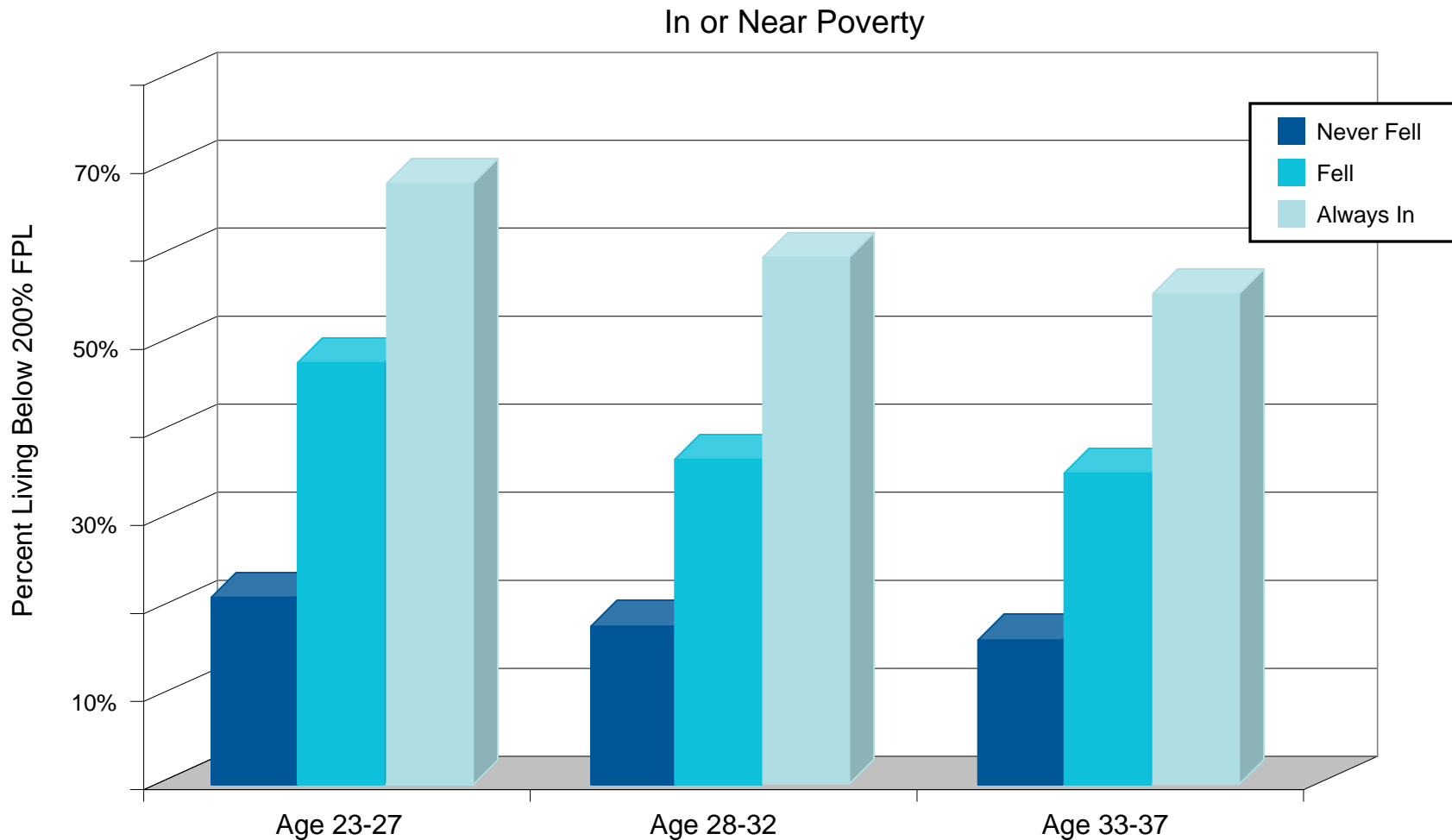
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# Lifelong Poverty



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A child who falls into poverty during a recession is twice as likely to live below 200% of the Federal Poverty Level as an adult.



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# Recovery?



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## The Bottom Line



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**Nationally, the economic costs of allowing 3 million children to fall into poverty exceed **\$1.7 trillion** over the next several decades.**

**Here in Connecticut, the costs of increased childhood poverty now are likely to exceed **\$40 billion** over the next several decades.**

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## Contact Info



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