



Turning Point:

The Long Term Effects of Recession-Induced Child Poverty



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MAKING CHILDREN & FAMILIES THE PRIORITY

Turning Point:

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



Turning Point:

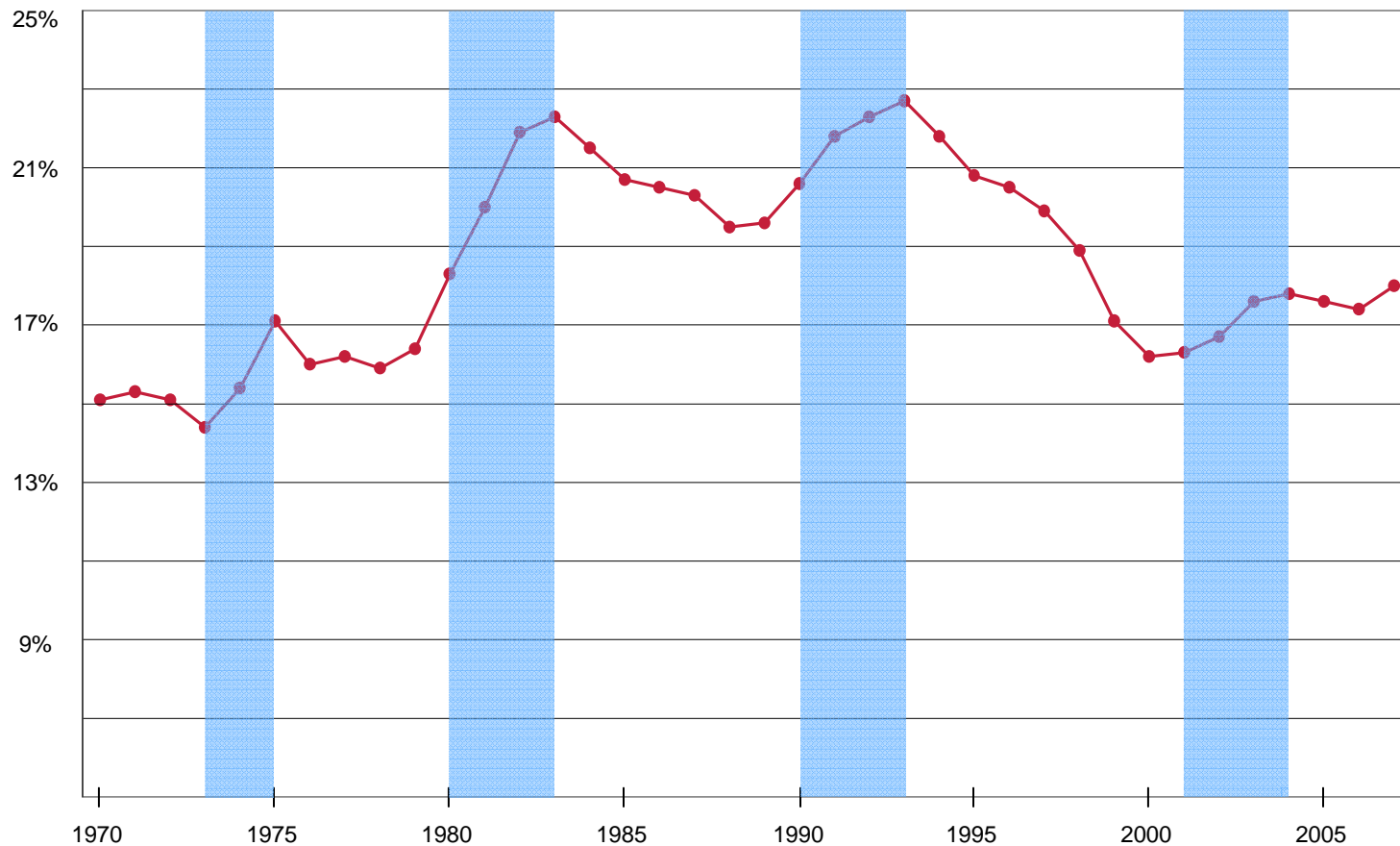
Child Poverty and Recessions



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Child poverty rises sharply during recessions

Percent of Children in Poverty, 1970 to 2007



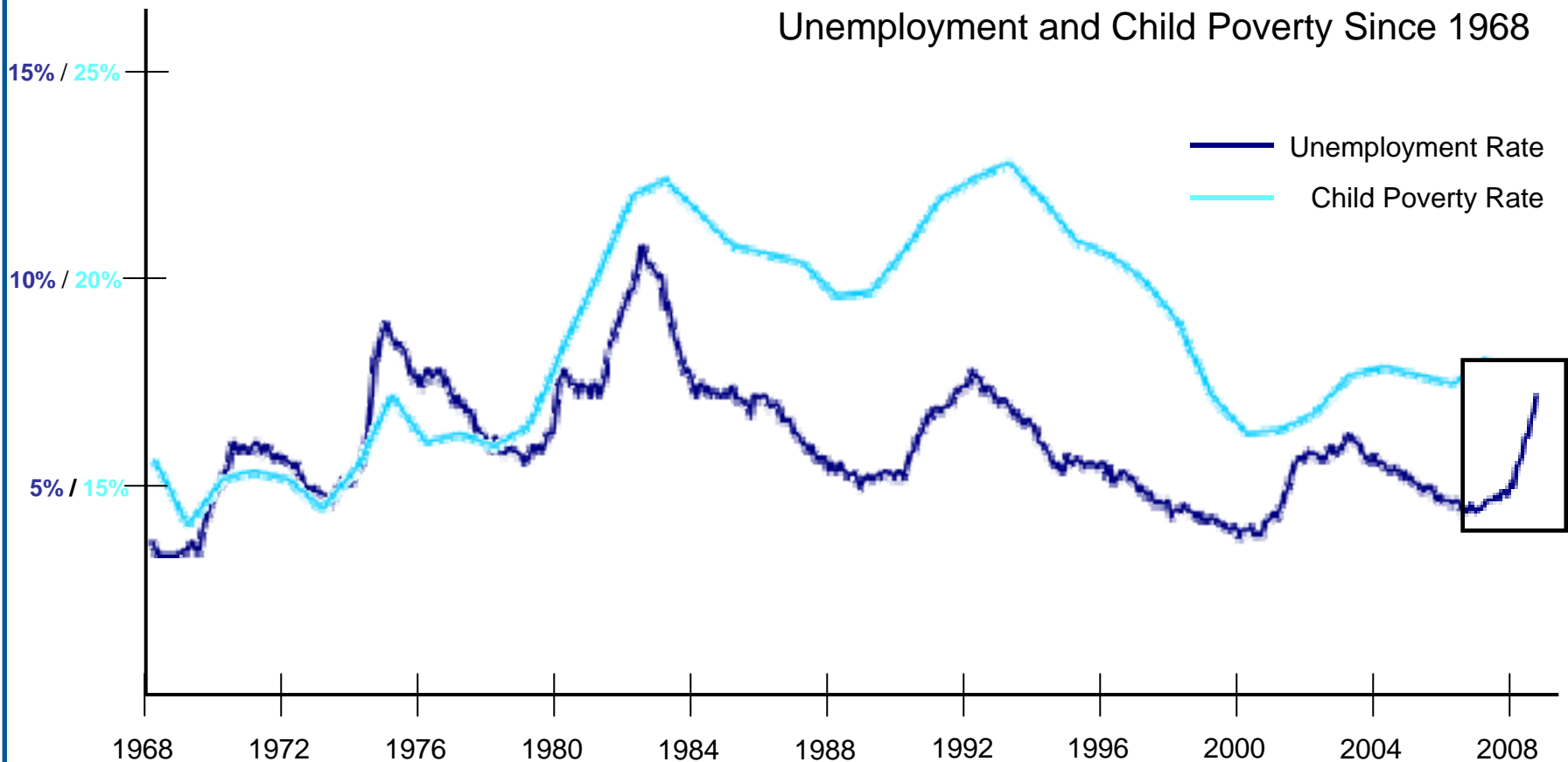
Turning Point:

Child Poverty and Unemployment



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







US Census Bureau

Income, Poverty & Health Insurance Coverage in 2008



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	2007	2008
National Poverty Rate	37.3 million (12.5%)	39.8 million (13.2%) 
Child Poverty Rate	13.3 million (18%)	14.1 million (19%) 
People without Health Insurance	45.7 million (15.3%)	46.3 million (15.4%) 
Children without Health Insurance	8.1 million (11%)	7.3 million (9.9%) 

U.S. Department of Commerce Economics and Statistics Administration

U.S. Census Bureau

Issued September 2009

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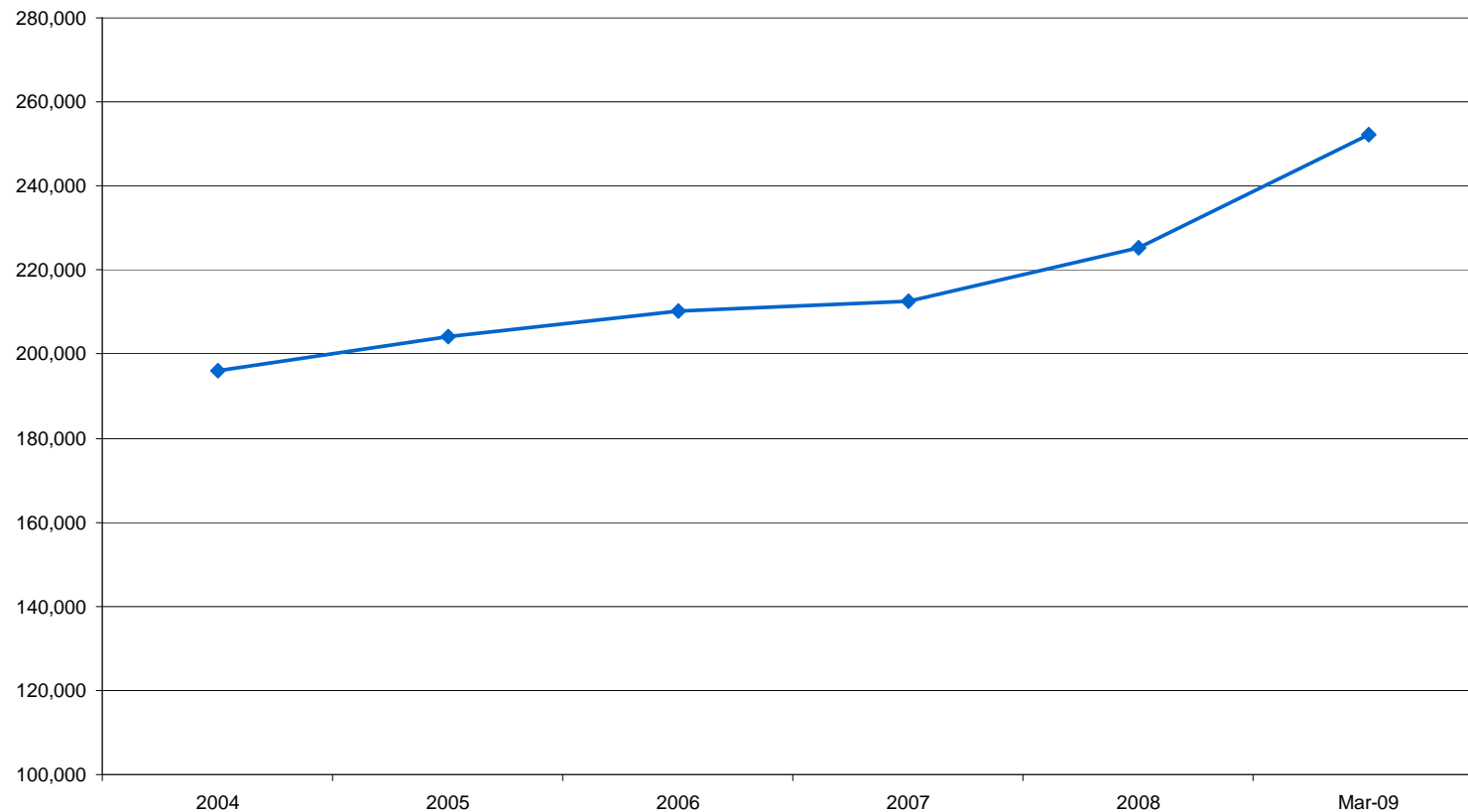
What's Happening Here?



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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.

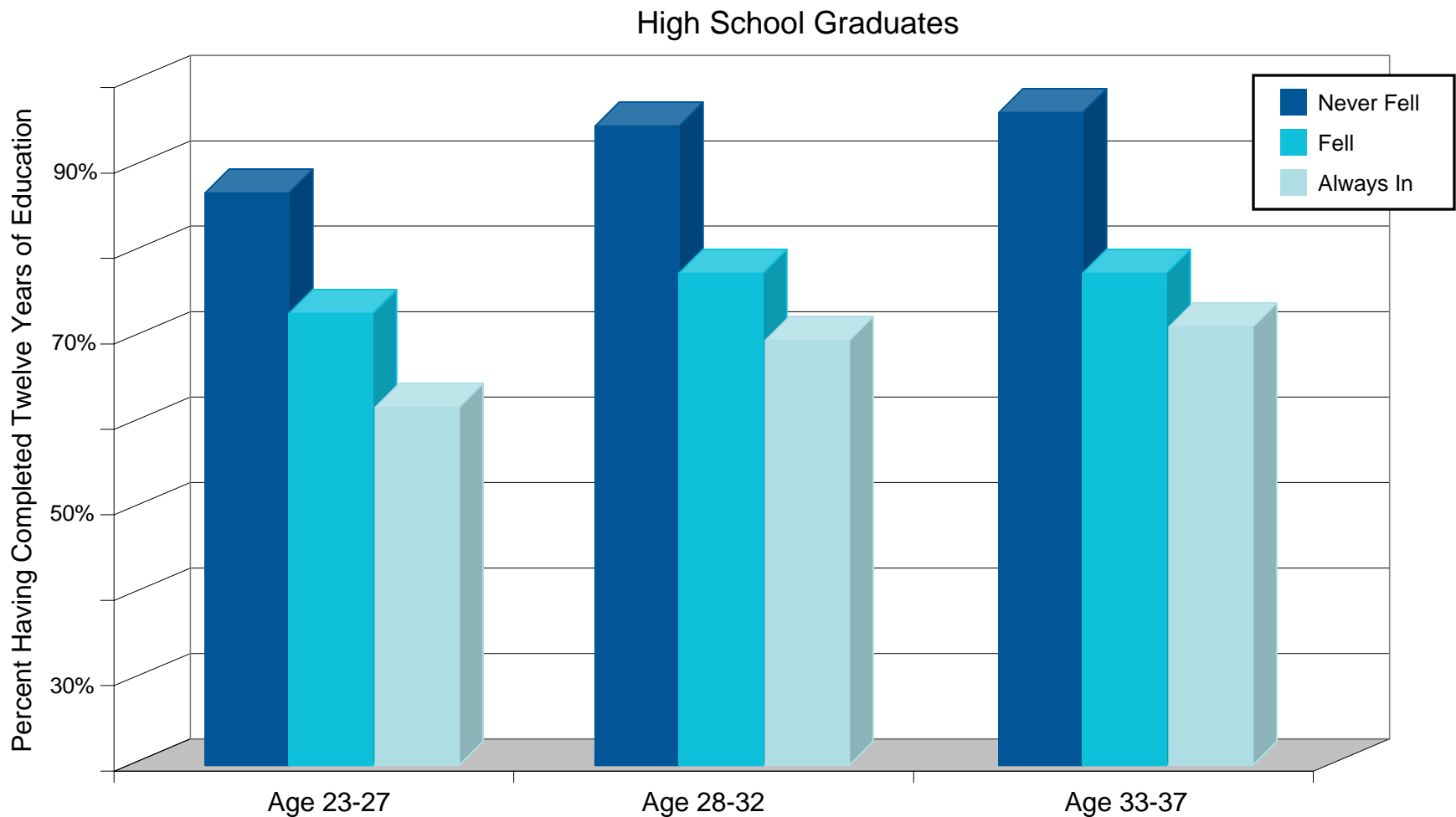
Turning Point:

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.



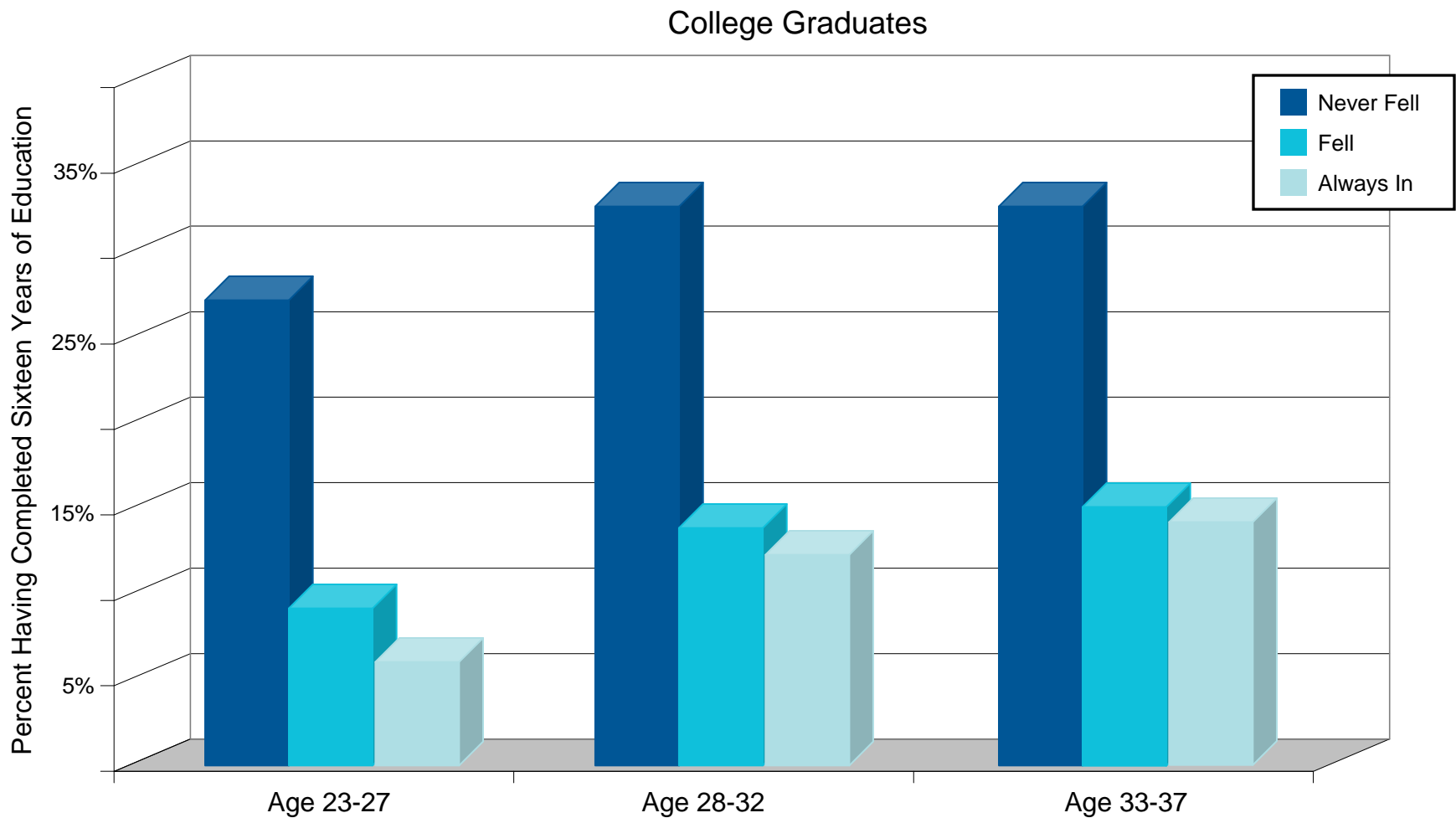
Turning Point:

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.”



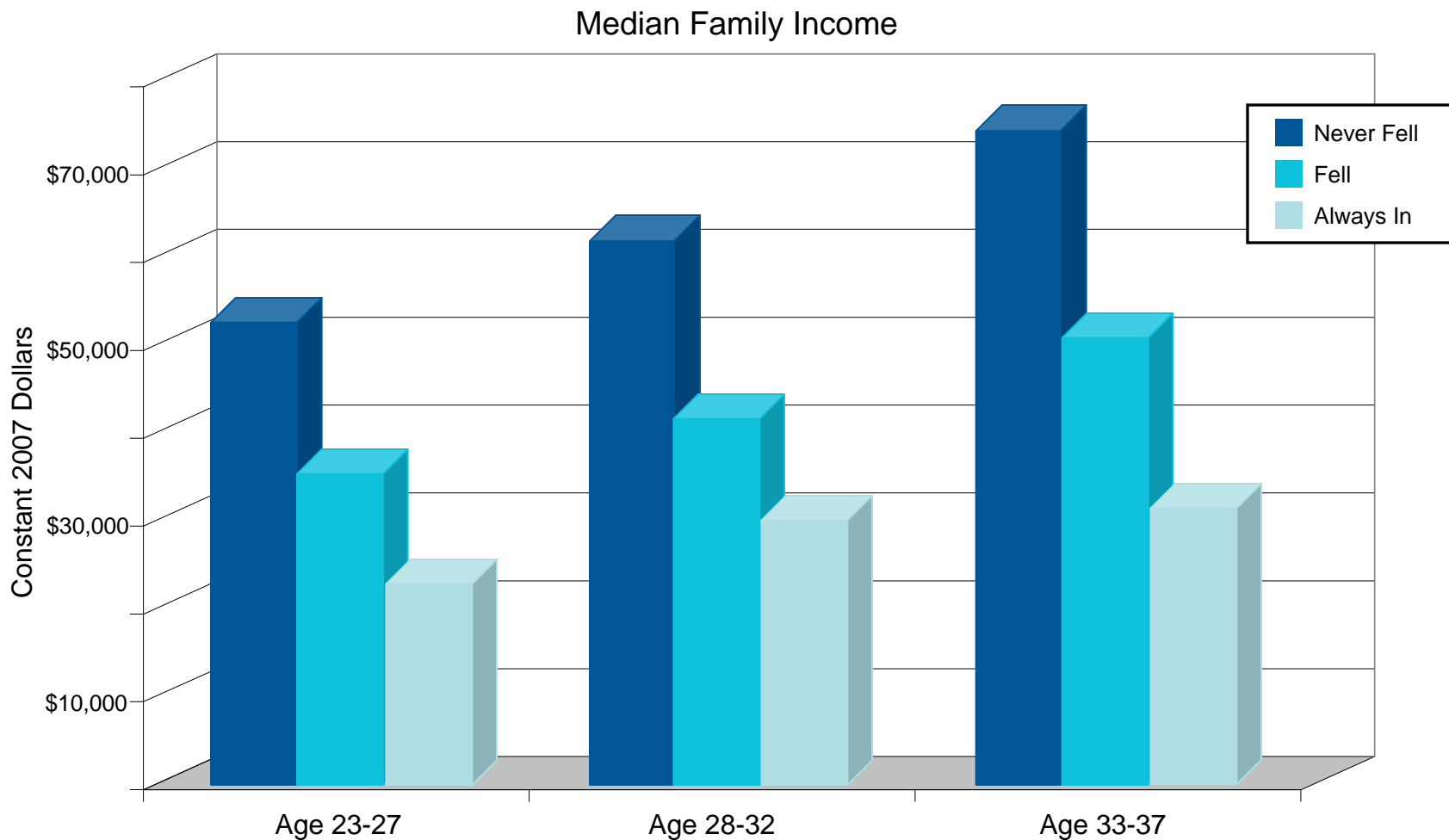
Turning Point:

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.



Turning Point:

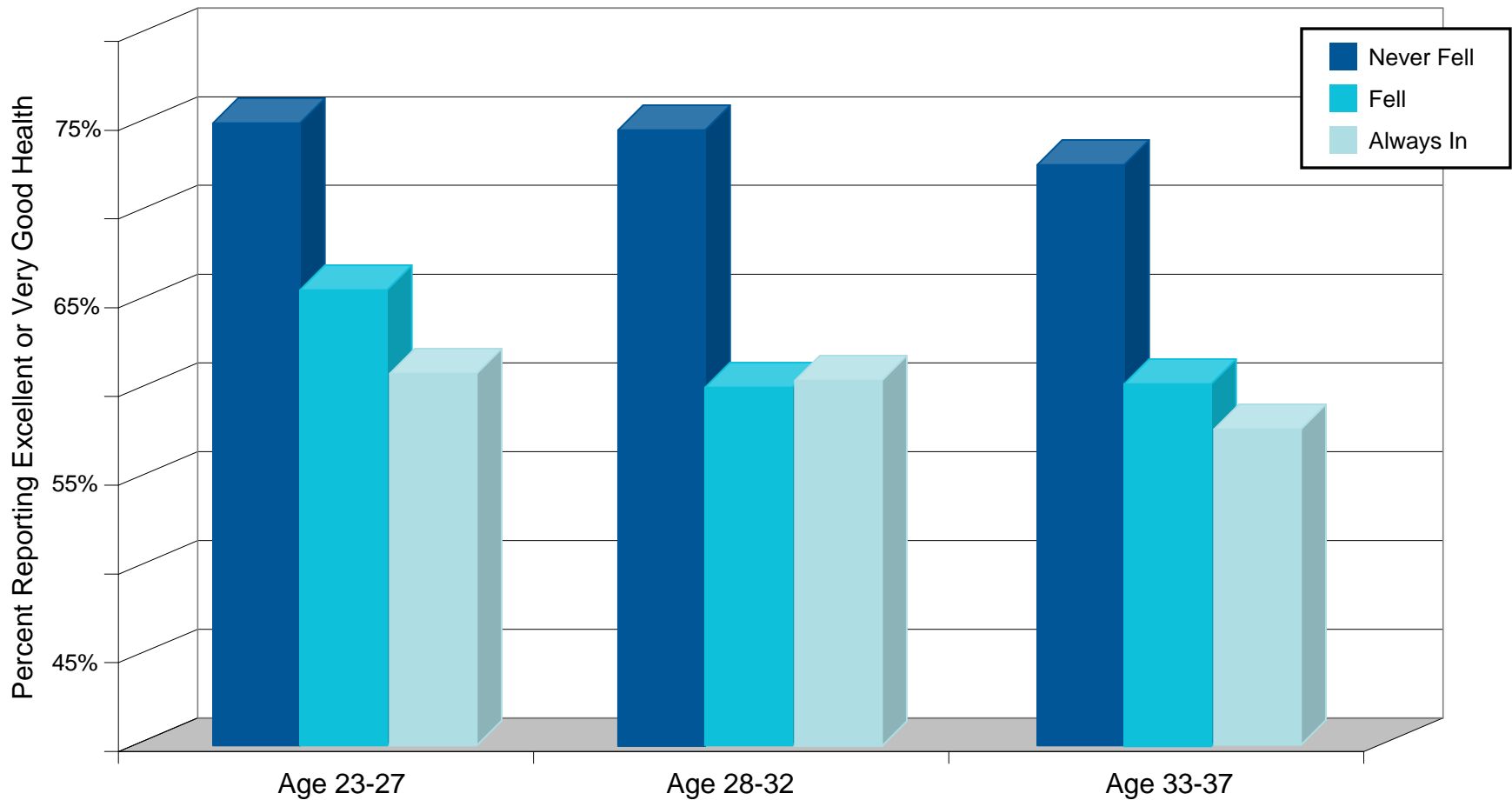
Health Status



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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



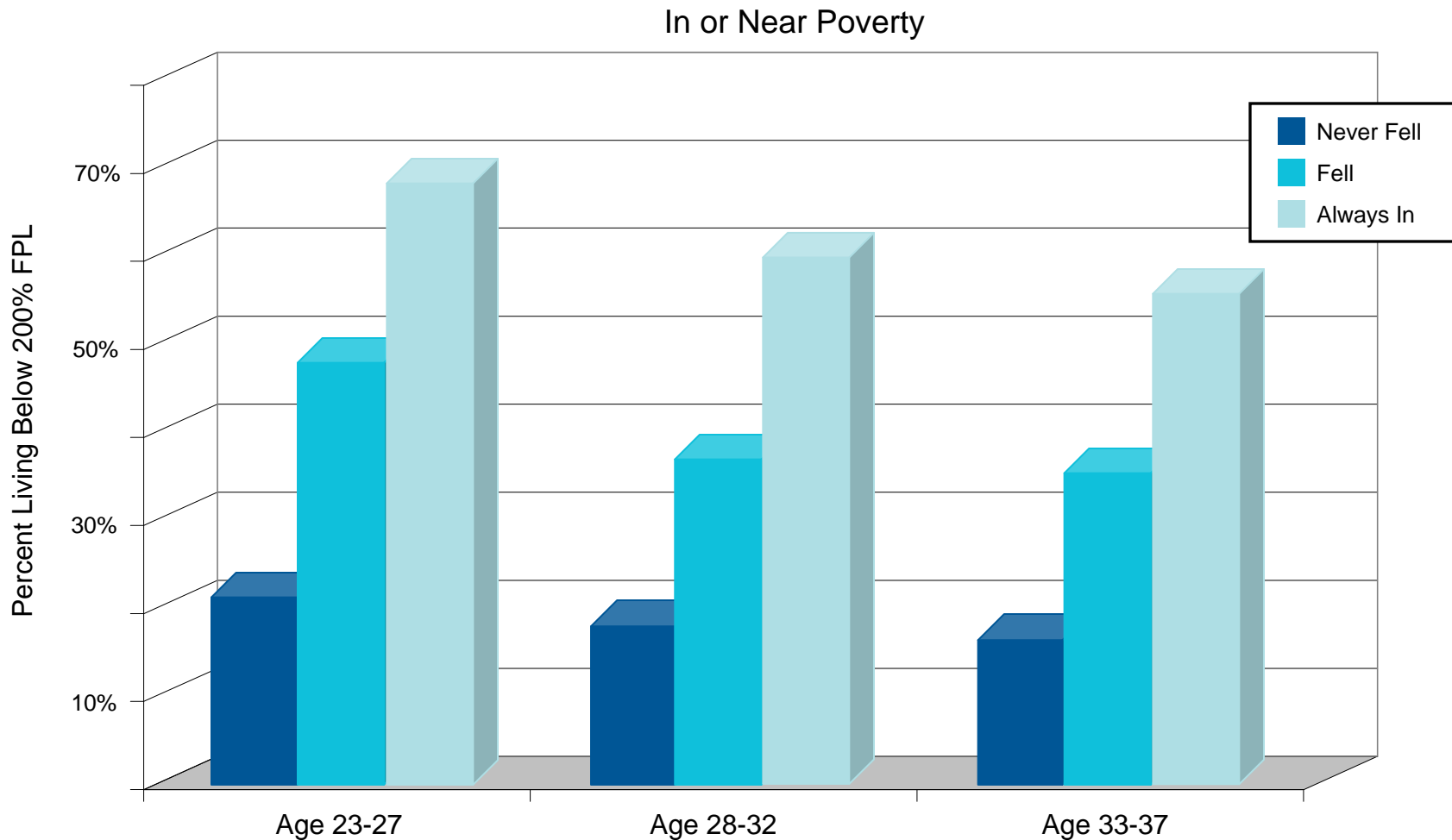
Turning Point:

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.



Turning Point:

Recovery?



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Turning Point:

Recovery?



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- An additional 35,000 Connecticut children will fall into poverty during this recession.
- As adults, these children will earn an average of \$19,000 less annually than their Connecticut peers who avoided poverty.
- Their health will worsen. By age 37, they'll be 20 percent less likely than their peers to report being in very good health.
- The economic cost to Connecticut from the forgone earnings and poorer health status of these children will run to \$800 million per year.

Turning Point:

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.**

Contact Info



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