

THE CHILDREN'S BUDGET COALITION

INVESTING IN THEIR FUTURE

July 19, 2022

The Honorable John Yarmuth
Chair
House Budget Committee
Washington, DC. 20515

The Honorable Jason Smith
Ranking Member
House Budget Committee
Washington, DC 20515

Dear Chairman Yarmuth and Ranking Member Smith:

As members of the [Children's Budget Coalition](#), comprised of over 80 child and family organizations who collectively advocate for children to be a priority in federal budget decisions, we thank you for your leadership on holding this important hearing to discuss the many and profound benefits of investing in our children's future. We appreciate the opportunity to submit this group letter for inclusion in the official hearing record. We share below the growing and unique needs of children and highlight the impressive body of evidence demonstrating that we know what works to support our children's healthy development and overall well-being and how to tackle the stubbornly high rates of child poverty in this country. We strongly urge you to prioritize children in your decision-making, and look forward to continue working with you and being a resource for your staff and you.

Growing Challenges for Our Children and Need for Increased Investments

Our children are facing some of the most challenging times seen in our nation's history. America's historically high rate of child poverty and significant racial poverty gap are among the most pressing of these challenges and are the root cause of so many of the obstacles to success faced by too many of our nation's children and grandchildren. As families struggle to recover from the pandemic, its economic chaos, and [continued rising costs](#) of raising children, please remember that [every aspect of children's lives has been disrupted by the pandemic](#), and for the poorest children and families among us, this has been particularly true.

Even before the public health and economic crises, kids were faring poorly and the federal investment in programs and services benefitting them was declining. According to analysis in First Focus on Children's annual [Children's Budget book 2021](#), after two decades of a decreasing share of federal spending on children, [it took a public health emergency](#) to push the share of federal spending on children to 11% — a historic high after a record low share of 7.6% for kids in FY2020. In preliminary analysis by First Focus of the 2022 budget, spending trends on children are reverting to pre-pandemic levels. Returning to a downward spending trend is deeply troubling, especially as the needs of our children and youth continue to grow and many of the investments and policy improvements authorized in the American Rescue Plan Act (ARPA) to benefit them have expired *and* seem in jeopardy of inclusion in any economic reconciliation package this congressional session.

We Know Investments in Our Children Work

Our kids desperately need our attention and support and tradeoffs that leave them behind despite a growing body of evidence that the ARPA provisions worked to benefit kids is unfair and unwise. Disinvestment in our

children will lead to negative consequences for their healthy development and well-being, our economic competitiveness and our society as a whole. Covid-19 investments and policy improvements authorized in the ARPA covered numerous areas of concern, and combined, turned around the extremely troubling downward spending trend on children. Emergency pandemic aid from the ARPA and other pandemic legislation provided increased food benefits, economic impact payments, housing support, child care investments, education resources, tax improvements, and other child-centered initiatives. All together these additional resources and policy improvements achieved [historic levels of well-being for U.S. children](#). The ARPA investments and policy changes are projected to significantly decrease child poverty, [cutting it by 56%](#) – already we have seen a substantial [drop in child poverty in 2021](#). Unfortunately, with the expiration of programs like the improved Child Tax Credit (CTC), child poverty has spiked -- [the January expiration of the improved Child Tax Credit alone has plunged nearly 4 million children back into poverty](#), including 1.3 million Hispanic children and over 660,000 Black children.

The Covid-19 aid also reduced food insufficiency in households with children by [seven percentage points](#) and provided our education system with increased resources to better the nation's schools, tackle the learning gap, shrink the digital divide, and support teachers and other school officials on the frontlines addressing the unprecedented challenges and tragedies our country's children and young people are facing. Yet children were still the poorest group in the nation in 2020 and our country continues to experience significant racial and economic disparities. [Now we see food insecurity has increased by 12% in households with children and experts predict that students in high-poverty districts with much more remote learning will lose ground academically, widening measures of our nation's racial and economic achievement gaps.](#)

Analysts from Poverty Solutions at the University of Michigan have found that [federal pandemic assistance helped close the persistent gap in material hardship for U.S. families with children](#) and that the advances stuck even in the face of rising inflation.

Poverty Itself Causes Negative Child Outcomes

According to the [landmark 2019 National Academies of Science, Engineering, and Medicine \(NASEM\) study, *A Roadmap to Reduce Child Poverty*](#), poverty itself causes negative child outcomes, especially when it starts in early childhood or persists through the early part of the child's life. A child who grows up in poverty is far less likely to perform as well as their classmates in school, more likely to experience negative physical and mental health consequences, more likely to have food insecurity, more vulnerable to homelessness, and more likely to be subjected to violence, abuse, and neglect.

The NASEM report also points out that there is no one policy change to end child poverty, but instead we need a host of policy improvements and increased investments to provide for basic needs such as food, housing, child care, healthcare, education, foster care and other supports to enable our children's healthy development and ability to reach their full potential. Our lessons learned during the pandemic confirm the need for increased investments in our children and a comprehensive policy approach to ensure every child has what they need to grow up healthy and safe.

Historically the United States has experienced higher levels of child poverty than other wealthy nations because we have failed to properly invest in our nation's children and families. Children have been the poorest

individuals in our society, especially young children who are undergoing critical stages of brain development. Black, Hispanic, American Indian/Alaska Native, and Native Hawaiian and Pacific Islander children all experience significantly higher levels of poverty than their white peers due to the racism ingrained in so many of our country's systems and institutions.

The good news is that we know what works to reduce child poverty. The NASEM study put forward an evidence-based policy agenda that, if prioritized and implemented by our nation's lawmakers, would cut our child poverty rate in half within a decade. It assessed investments in a broad range of programs and policies including child care, housing, nutrition, worker training, minimum wage, tax code changes and more. It pointed to a child allowance, operating as an extension of the Child Tax Credit, as the most powerful tool we have to combat child poverty and narrow the racial poverty gap. Extensive research shows when households with children receive cash transfers, they spend it on resources that support their children's healthy development, improving their physical and behavioral health and educational outcomes, and leading them to earn more as adults. We saw that recently with the improved monthly CTC payments as [households overwhelmingly used them to put food on the table, pay bills or purchase essential school supplies](#). Increased household income also relieves parental stress, giving parents more time and mental energy for their children. The National Academy of Sciences confirms that reducing child poverty not only has direct implications for individual children's healthy development and future success, but also has a significant return on investment for our economy.

American People Support Investments in Our Children

The American people understand the importance of investing in our children and grandchildren. [Recent polling of likely voters by the Lake Research Partners](#) found that by over a 6-1 margin, Americans think we are investing too little on addressing child poverty and are very concerned that children are the poorest group in our nation. By 86% concerned (61% strongly) to 12% not concerned margin, voters are worried by the [2019 landmark National Academy of Sciences, Engineering, and Medicine \(NASEM\) study](#) analysis that estimated "child poverty costs our society up to \$1.1 trillion a year due to higher crime, poor health outcomes, and lower income levels when children living in poverty grow up." We know that investing in our children makes good economic sense as researchers from [Columbia University project](#) that a child allowance program will pay massive dividends – estimating benefits to society at more than eight times the initial costs.

Comprehensive Approach for Investing in All Our Nation's Kids

Funding for programs that benefit children is [disproportionately discretionary, temporary, capped, lacking built-in growth and without dedicated revenue](#). The annual investments come from a wide array of federal programs that exist in the jurisdiction of multiple appropriations subcommittees, but work together to support and protect our nation's children. We appreciate the increased funding for a number of programs critically important to the health, safety and well-being of children included in the FY2022 omnibus. Now, we are deeply concerned that the FY2023 spending decisions will shortchange children as many competing initiatives and interests loom large. We urge you to work together to ensure that our children's diverse and complex needs are met through a comprehensive budget approach – both discretionary and mandatory -- that results in robust investments and offers innovative solutions and delivery of services as households with children remain the hardest hit by the pandemic and its economic fallout.

Recently, we asked the House and Senate Appropriations leadership to prioritize children in the Fiscal Year 2023 annual spending process and specifically:

- Increase topline spending for non-defense discretionary (NDD) spending in FY2023 over FY2022.
- Provide robust allocations for four subcommittees [with jurisdiction over nearly 99% of child-related programs and services](#):
 1. Labor, Health and Human Services, Education and Related Agencies
 2. Agriculture, Rural Development, FDA and Related Agencies
 3. Transportation, Housing and Urban Development and Related Agencies
 4. Commerce, Justice, Science, and Related Agencies
- Provide funding for the VA Medical Care program outside the topline NDD number - estimated by the Biden Administration to require more than a twenty percent increase for FY 2023 – to allow for other vital funding increases.

Impacts of Covid-19 on Kids

The negative and alarming impacts Covid-19 and its economic fallout have had on children are **not behind us**, and in fact our children’s pressing needs are right in front of us and intensifying (data current as of June 2022):

- **13 million:** [The number of U.S. children who have contracted childhood COVID.](#)
- **19 %:** The [amount of all COVID-19](#) cases that are in children - despite early misconceptions that children don’t get COVID.
- **1,484:** Number of [children who have died](#) in the United States with childhood COVID.
- **251,000:** The amount of children [who have lost a caregiver](#) due to COVID-19.
- **3,936:** The [number of known Covid-19 cases for youth in juvenile facilities](#) as of March 31.
- **16.9 million:** The number of [U.S. children under 5](#) who have not yet received their first Covid-19 vaccine dose.
- **13:** Where COVID-19 ranks among the [top 15 causes of death](#) in U.S. children.
- **6.7 million:** Number of children expected to [lose health coverage](#) in the United States when the Public Health Emergency ends.
- **100%:** The CDC finds that child body mass index rates [nearly doubled during the COVID-19 pandemic](#), putting more kids at risk for poor health.
- **3.7 million:** The number of [U.S. children who slid back into poverty](#) when improvements to the child tax credit expired.
- **1-in-6:** The number of U.S. children who experienced [food insecurity](#) last year.
- **10.4%:** The [youth unemployment rate \(ages 16-19\) for May 2022](#) compared to a 3.6% overall unemployment rate.
- **25%:** [One in four teachers was considering quitting at the end of the 2020-21 school year](#), according to a RAND survey.
- **44%:** Number of [public schools reported having at least one teaching vacancy](#) as of January 2022.
- **51%:** [Number of those vacancies accounted for by resignations.](#)
- **11.7%:** Percent of jobs in the child care sector, made up overwhelmingly of women and disproportionately women of color, [that have been lost](#) since the start of the COVID-19 pandemic.
- **18%:** [Preschool enrollment decline](#), the first decrease in preschool enrollment in two decades.
- **29%:** Percent of 4-year-olds and 5% of 3-year-olds were enrolled in preschool, a substantial decrease from pre-pandemic levels, erasing a decade of growth in preschool enrollment.
- **11%:** [Percent of eligible infants and toddlers](#) who were served by Early Head Start.
- **15%:** [Percent of the 12.8 million children federally eligible for child care subsidies](#) who received them.
- **24.6 million:** the number of school-age children who want to attend an afterschool program but don’t have access to a program nearby.
- **31%:** Percentage increase in [mental health-related emergency room visits](#) in the U.S. by 12-17-year-olds in 2020.

- **2:** Where [suicide ranks](#) among the top causes of death in the United States for individuals between the ages of 10-24.
- **0:** The number of states that meet the [recommended ratio of one social worker for every 250 students](#).
- **2:** The number of states that have a school nurse in every building as recommended by the [National Association of School Nurses](#) and the [American Academy of Pediatrics](#).
- **4,000+:** The number of [students served by a single school psychologist](#) in West Virginia, Missouri, Texas, Alaska, and Georgia.
- **3 million:** The number of marginalized K-12 students — those with disabilities, experiencing homelessness, in foster care or who are migrants — who [stopped attending school](#).
- **9.6 million:** Number of children enrolled in public or private school who had no contact with teachers in the last 7 days from March 30-April 11.
- **16 million:** [Number of K-12 students who did not have adequate Internet connectivity](#) to teach and learn from home in 2020.
- **3.3 million:** [estimated number of homes with children less than 6 years of age have one or more lead based paint hazards](#); this includes 2.1 million low income households (< \$35,000/yr).
- **22%:** Percentage of U.S. households with children who are [behind on rent](#).
- **3 Million:** Number of households with children or roughly 14% of those reporting who are [not at all confident they can pay next month's rent](#).
- **36%:** Percent of households with children reported being [very likely or somewhat likely to leave their current home in the next two months due to evictions](#).
- **20%:** The estimated percent of young adults who experience the [child welfare system become homeless the moment they are emancipated at the age of 18](#).
- **50%:** The estimated [homeless population who spent time in foster care](#).
- **44%:** The percentage of [runaway or homeless youth who had stayed in jail, prison, or juvenile detention centers](#).
- **40%:** Percent of the households with children responding [who found it very or somewhat difficult to pay for usual household expenses in the last 7 days](#).
- Black, Hispanic, Indigenous and other children of color in the United States are far more likely to contract childhood COVID, be hospitalized, lose a caregiver to the disease, suffer economic consequences, and endure other pandemic fallout than their white counterparts:
 - **65%:** Percentage of U.S. children [who lost a caregiver to COVID](#) who belong to racial and ethnic minorities.
 - **2x:** The likelihood of [Black or Hispanic children losing a caregiver](#) to COVID, v. white children.
 - **4.5x:** The likelihood of [American Indian/Alaska Native children losing a caregiver](#) to COVID, v. white children.
 - **29%:** Percentage of [Black renters with children who are behind on rent](#), v. 22% for all U.S. renters with children.
 - **3x:** The rate of [food insecurity among Black and Hispanic](#) households v. white households.
 - **70%:** The percentage of total [U.S. MISC cases that occurred in children who are Black or Hispanic](#).
- **5.4%:** The net undercount of young children (ages birth to 4) in the 2020 Census, the highest rate since tracking began in the 1950 census. The recent release of Demographic Analysis data shows that the net undercount of young children in 2020 was even larger than in 2010, and young Hispanic and Black children were missed at more than double the rate of White children. Census data is used to allocate \$1.5 trillion a year, affecting numerous programs benefitting kids.

Again, we appreciate your leadership in holding this important hearing to help elevate children's issues as the hardships of the pandemic continue to be strongest for families with children who were already struggling to

meet financial obligations, with communities of color bearing the brunt of this hardship. We urge you to keep the unique and pressing needs of children at the forefront and in your roll on the Budget Committee fight to ensure children and youth are a priority as Congress makes its regular, annual budget decisions.

Every child deserves to have the opportunity, knowledge, skills, and ability to meet the challenges in an ever-changing world and succeed individually and as future decision-makers in our society. We look forward to working with you to forge a path for our children that addresses their best interests and provides them with the access to resources so very critical to their every day and long-term well-being, healthy development, and economic security.

Sincerely,

Afterschool Alliance
American Academy of Pediatrics
American Federation of Teachers
Association of Children's Residential & Community Services (ACRC)
Boys & Girls Clubs of America
Children's Health Fund
Children's Hospital Association
Child Welfare League of America (CWLA)
Early Care and Education Consortium
Family Centered Treatment Foundation
The Family Focused Treatment Association
First Focus Campaign for Children
Foster Success
Futures Without Violence
Healthy Teen Network
John Burton Advocates for Youth
National Association for Family, School, and Community Engagement (NAFSCE)
National Association of Pediatric Nurse Practitioners
National Association of School Nurses
National Diaper Bank Network
National Respite Coalition
National WIC Association
Organizations Concerned About Rural Education
Prevent Blindness
Prevent Child Abuse America
Public Advocacy for Kids (PAK)
Rhode Island KIDS COUNT
Save the Children
Schoolhouse Connection
School Nutrition Association
Sycamores

Voices for Vermont's Children
Voice for Adoption
YMCA of the USA
Youth Villages
ZERO TO THREE